

In the opinion of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, under existing laws, regulations, judicial decisions and rulings, interest on the Bonds (as defined herein) is exempt from income taxation in the State of Indiana. See "TAX MATTERS," and Appendix C.

\$121,670,000
INDIANA BOND BANK
TAXABLE SCHOOL SEVERANCE FUNDING BONDS
SERIES 11

Dated: Date of Delivery

Due as shown herein.

The Indiana Bond Bank Taxable School Severance Funding Bonds Series 11 (the "Bonds") are issuable only as fully registered bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). Purchases of beneficial interests in the Bonds will be made in book-entry-only form, in the denomination of \$5,000 and integral multiples thereof. Purchasers of beneficial interests in the Bonds (the "Beneficial Owners") will not receive physical delivery of certificates representing their interests in the Bonds. Interest on the Bonds is payable on January 15 and July 15 of each year commencing January 15, 2007, and such interest, together with the principal of the Bonds, will be paid directly to DTC by The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as trustee (the "Trustee") under a Trust Indenture, dated as of June 1, 2006 (the "Indenture"), as defined and described herein, so long as DTC or its nominee is the registered owner of the Bonds. The Indiana Bond Bank (the "Bond Bank") may provide for payment of interest to any holder of Bonds in amounts aggregating \$1,000,000 or more by wire transfer or other method which is acceptable to the Trustee and the Bondholder. The final disbursement of such payments to the Beneficial Owner of the Bonds will be the responsibility of the DTC Direct Participants and the Indirect Participants, all as defined and more fully described herein under "THE BONDS - Book-Entry-Only System."

Payment of the principal of and interest on the Bonds when due will be guaranteed under a municipal bond new issue policy to be issued upon the delivery of the Bonds by XL Capital Assurance Inc. See "BOND INSURANCE" and Appendix D.



The Bonds are authorized by a resolution adopted by the Board of Directors of the Bond Bank and are issued under and secured by the Indenture, all pursuant to the laws of the State of Indiana (the "State"), particularly Indiana Code 5-1.5 (the "Act"), for the purpose of providing funds to purchase general obligations bonds (the "Qualified Obligations") of certain Indiana school corporations (the "Qualified Entities") which are authorized under Indiana law to issue the Qualified Obligations to fund existing unfunded contractual liabilities for retirement or severance payments as of June 30, 2001. The Qualified Obligations are payable by the Qualified Entities from unlimited ad valorem taxes to be collected on all taxable property within the boundaries of the Qualified Entities. The principal of and interest on the Bonds are payable from the proceeds of Qualified Obligation Payments and other moneys held under the Indenture, including funds made available by the Investment Agreement, as defined and described herein.

The Bonds maturing on or after January 15, 2017 are subject to optional redemption prior to maturity on and after July 15, 2016 at par.

The Bonds maturing on July 15, 2021, July 15, 2023, January 15, 2027 and January 15, 2029 are subject to mandatory sinking fund redemption. See "THE BONDS - Mandatory Redemption."

The Bonds are payable by the Bond Bank solely from the revenues and other funds of the Bond Bank pledged therefor under the Indenture. Such revenues and funds include payments by the Qualified Entities on their respective Qualified Obligations ("Qualified Obligation Payments"). See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS."

THE BONDS ARE LIMITED OBLIGATIONS OF THE BOND BANK PAYABLE SOLELY OUT OF THE REVENUES AND FUNDS OF THE BOND BANK PLEDGED THEREFOR UNDER THE INDENTURE, AS MORE FULLY DESCRIBED HEREIN. THE BONDS DO NOT CONSTITUTE A GENERAL OR MORAL OBLIGATION OF THE BOND BANK AND A DEBT SERVICE RESERVE WILL NOT BE MAINTAINED BY THE BOND BANK FOR THE BONDS. THE BONDS DO NOT CONSTITUTE A DEBT, LIABILITY OR LOAN OF THE CREDIT OF THE STATE OF INDIANA (THE "STATE") OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ANY QUALIFIED ENTITY, UNDER THE CONSTITUTION AND LAWS OF THE STATE OR A PLEDGE OF THE FAITH, CREDIT AND TAXING POWER OF THE STATE OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING ANY QUALIFIED ENTITY. THE BOND BANK HAS NO TAXING POWER.

The Bonds are being offered by City Securities Corporation, Citigroup Global Markets Inc. and Siebert Brandford Shank & Co., LLC, the Underwriters ("Underwriters") when, as and if issued by the Bond Bank and received by the Underwriters subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of legality by Ice Miller LLP, Indianapolis, Indiana, Bond Counsel. Certain legal matters will be passed on for the Bond Bank by its General Counsel, Barnes & Thornburg LLP, Indianapolis, Indiana, and for the Underwriters by their counsel, Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois. It is expected that the Bonds in definitive form will be available for delivery to DTC in New York, New York, on or about June 15, 2006.

Citigroup



Siebert Brandford Shank & Co., LLC

Date June 8, 2006

\$121,670,000
INDIANA BOND BANK
TAXABLE SCHOOL SEVERANCE FUNDING BONDS SERIES 11

(Base Cusip 454624)

<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cusip</u>	<u>Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Price</u>	<u>Cusip</u>
7/15/07	\$2,900,000	5.500%	100.00%	QP5	1/15/13	\$2,885,000	5.640%	100.00%	RA7
1/15/08	1,395,000	5.480	100.00	QQ3	7/15/13	2,985,000	5.650	100.00	RB5
7/15/08	2,195,000	5.440	100.00	QR1	1/15/14	3,070,000	5.660	100.00	RC3
1/15/09	2,265,000	5.490	100.00	QS9	7/15/14	3,740,000	5.680	100.00	RD1
7/15/09	2,340,000	5.480	100.00	QT7	1/15/15	3,830,000	5.720	100.00	RE9
1/15/10	2,430,000	5.500	100.00	QU4	7/15/15	3,945,000	5.730	100.00	RF6
7/15/10	2,490,000	5.470	100.00	QV2	1/15/16	4,070,000	5.760	100.00	RG4
1/15/11	2,575,000	5.530	100.00	QW0	7/15/16	4,185,000	5.740	100.00	RH2
7/15/11	2,715,000	5.500	100.00	QX8	1/15/17	4,300,000	5.820	100.00	RJ8
1/15/12	2,795,000	5.590	100.00	QY6	7/15/17	3,925,000	5.820	100.00	RK5
7/15/12	2,835,000	5.610	100.00	QZ3					

\$33,515,000 Term Bonds Maturing July 15, 2021

Interest Rate: 6.010%; Price: 100.00%; Cusip: RL3

\$8,615,000 Term Bonds Maturing July 15, 2023

Interest Rate: 6.100%; Price: 100.00%; Cusip: RM1

\$15,485,000 Term Bonds Maturing January 15, 2027

Interest Rate: 6.150%; Price: 100.00%; Cusip: RN9

\$185,000 Term Bonds Maturing January 15, 2029

Interest Rate: 6.20%; Price: 100.00%; Cusip: RP4

The Bonds maturing on and after January 15, 2017 are subject to optional redemption prior to maturity on and after July 15, 2016 at par. The Bonds maturing on July 15, 2021, July 15, 2023, January 15, 2027 and January 15, 2029 are subject to mandatory sinking fund redemption as shown herein.

NO DEALER, BROKER, SALESPERSON OR OTHER PERSON HAS BEEN AUTHORIZED BY THE BOND BANK OR BY THE UNDERWRITERS TO GIVE ANY INFORMATION OR TO MAKE ANY REPRESENTATIONS OTHER THAN THOSE CONTAINED IN THIS OFFICIAL STATEMENT, AND, IF GIVEN OR MADE, SUCH OTHER INFORMATION OR REPRESENTATIONS MUST NOT BE RELIED UPON AS HAVING BEEN AUTHORIZED BY ANY OF THE FOREGOING. THIS OFFICIAL STATEMENT DOES NOT CONSTITUTE AN OFFER TO SELL OR THE SOLICITATION OF AN OFFER TO BUY, AND THERE SHALL NOT BE ANY SALE OF ANY OF THE SECURITIES DESCRIBED HEREIN BY ANY PERSON IN ANY JURISDICTION IN WHICH IT IS UNLAWFUL FOR SUCH PERSON TO MAKE SUCH OFFER, SOLICITATION OR SALE. THE INFORMATION AND EXPRESSIONS OF OPINION HEREIN ARE SUBJECT TO CHANGE WITHOUT NOTICE AND NEITHER THE DELIVERY OF THIS OFFICIAL STATEMENT NOR ANY SALE SHALL, UNDER ANY CIRCUMSTANCES, CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE BOND BANK OR ANY OTHER PERSON SUBSEQUENT TO THE DATE AS OF WHICH SUCH INFORMATION IS PRESENTED.

IN CONNECTION WITH THIS OFFERING, THE UNDERWRITERS MAY OVER-ALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET, AND SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

UPON ISSUANCE, THE BONDS WILL NOT BE REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE SECURITIES ACT OF 1933, AS AMENDED. NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THE BONDS OR PASSED UPON THE ADEQUACY OR ACCURACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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OFFICIAL STATEMENT

\$121,670,000

Indiana Bond Bank Taxable School Severance Funding Bonds Series 11

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices, is to set forth certain information concerning the issuance and sale by the Indiana Bond Bank (the “Bond Bank”) of its \$121,670,000 aggregate principal amount of Taxable School Severance Funding Bonds Series 11 (the “Bonds”). The Bonds are authorized by a resolution adopted by the Board of Directors of the Bond Bank on May 9, 2006, and are issued under and secured by a Trust Indenture, dated as of June 1, 2006 (the “Indenture”), between the Bond Bank and The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as trustee, registrar and paying agent (the “Trustee”), all pursuant to the laws of the State of Indiana (the “State”), particularly Indiana Code, Title 5-1.5 (the “Act”).

The Program

The Bond Bank has established a program (the “Program”) to purchase general obligation bonds (the “Qualified Obligations”) issued by certain Indiana school corporations (the “Qualified Entities”), which are authorized under Indiana law to issue the Qualified Obligations to fund existing unfunded contractual liabilities for retirement or severance payments (as of June 30, 2001), which constitute payments anticipated to be required to be made to employees of the Qualified Entity upon or after the termination of their employment by the Qualified Entity under an existing or previous employment agreement. The proceeds from the sale of the Bonds will be used (i) to purchase the Qualified Obligations of the Qualified Entities, (ii) to pay the premium on the municipal bond insurance policy securing the payment of principal of and interest on the Bonds when due, (iii) to pay the premium on the payment reserve fund surety bond which funds the Rating Reserve Fund (as defined herein); (iv) to pay a portion of the interest due on the Bonds on January 15, 2007, and (v) to pay all or a portion of the costs of issuance of the Bonds. As of the date of the issuance of the Bonds, the Bond Bank will have entered into purchase agreements (each, a “Purchase Agreement” and collectively, the “Purchase Agreements”) governing the terms for the purchase of the Qualified Obligations of the Qualified Entities. See “FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT” in Appendix E.

Security and Sources of Payment for the Bonds

The Bonds will be issued under and secured by the Indenture. The Bonds do not constitute a general or moral obligation of the Bond Bank. The Bond Bank will not maintain a debt service reserve for the Bonds and the provisions of Indiana Code 5-1.5-5, pertaining to a moral obligation of the Indiana General Assembly to replenish a debt service reserve, do not apply to the Bonds. Neither the faith, credit nor taxing power of the State or any political subdivision thereof, including the Qualified Entities, is pledged to the payment of the principal of or interest on the Bonds. The Bonds are not a debt, liability, or loan of the credit of the State or

any political subdivision thereof, including the Qualified Entities. The Bond Bank has no taxing power and has only those powers and sources of revenue set forth in the Act. The Bonds are issued and secured separately from all other obligations issued by the Bond Bank.

The Bonds are secured by the pledge of the Trust Estate established under the Indenture (the “Trust Estate”), which includes (a) all right, title and interest of the Bond Bank in, to and under the Purchase Agreements and the Qualified Obligations; (b) all right, title and interest in any and all other property, real, personal or mixed, from time to time conveyed, mortgaged, pledged, assigned or transferred as additional security under the Indenture by the Bond Bank or by anyone on behalf of the Bond Bank; (c) the proceeds from the sale of the Bonds; and (d) all revenues held in the Funds and Accounts under the Indenture. All Bonds will be secured equally and ratably by all of the foregoing. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS.”

Payment of the principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the “Bond Insurance Policy”) to be issued, upon the delivery of the Bonds, by XL Capital Assurance Inc. (the “Bond Insurer”). See “BOND INSURANCE” and Appendix D.

The principal source of payment on the Bonds will be the principal and interest payments received by the Bond Bank from the Qualified Entities under the Qualified Obligations. The principal of and interest on the Qualified Obligations are payable out of certain ad valorem property tax revenues as further described under the caption, “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Provisions for Payment of the Qualified Obligations.”

It is anticipated that the proceeds of the Bonds will be used to purchase Qualified Obligations under the Program of the Qualified Entities described in, and in the amounts set forth in Appendix A.

The Bond Bank

The Bond Bank is a separate body corporate and politic, constituting an instrumentality of the State for the public purposes set forth in the Act. The Bond Bank is not an agency of the State, but is separate from the State in its corporate and sovereign capacity and has no taxing power. The Bond Bank is governed by a Board of seven Directors, including the Treasurer of the State, who serves as Chairman Ex Officio, and the Director of the Indiana Finance Authority, who serves as a Director Ex Officio and five additional Directors, each appointed by the Governor of the State.

Under separate trust indentures and other instruments authorized under the Act, the Bond Bank has previously issued and had outstanding as of June 1, 2006, an aggregate principal amount of approximately \$2,016,767,201 in separate program obligations. Additionally, as of the date of this Official Statement, the Bond Bank is considering undertaking other types of financing for qualified entities for purposes authorized by and in accordance with the procedures set forth in the Act. The obligations issued by the Bond Bank in connection with any and all such financings, if any, will be secured separately from the Bonds and will not constitute Bonds under the Indenture or for purposes of this Official Statement.

The Act

Pursuant to the Act, the purpose of the Bond Bank is to assist “qualified entities,” defined in the Act to include political subdivisions, as defined in Indiana Code 36-1-2-13, leasing bodies, as defined in Indiana Code 5-1-1-1(a), any commissions, authorities or authorized bodies of any qualified entity, and any organizations, associations or trusts with members, participants or beneficiaries that are all individually qualified entities. The Bond Bank provides such assistance through programs of, among other things, purchasing the bonds or evidences of indebtedness of such qualified entities. Under the Act, “qualified entities” include entities such as cities, towns, counties, school corporations, library corporations, special taxing districts and nonprofit corporations and associations which lease facilities or equipment to such entities. Each of the school corporations described in Appendix A is a “qualified entity” within the meaning of the Act.

The Official Statement; Additional Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

The information contained under the caption “INTRODUCTION” is qualified by reference to this entire Official Statement, including the Appendices hereto. This introduction is only a brief description and a full review should be made of this entire Official Statement, including the appendices hereto, as well as the documents summarized or described in this Official Statement. The summaries of and references to all documents, statutes and other instruments referred to in this Official Statement do not purport to be complete and are qualified in their entirety by reference to the full text of each such document, statute or instrument. Certain terms used in this Official Statement are defined in Appendix B.

Information contained in this Official Statement with respect to the Bond Bank and the Qualified Entities and copies of the Indenture and the form of Purchase Agreement may be obtained from the Indiana Bond Bank, 2980 Market Tower, 10 West Market Street, Indianapolis, Indiana 46204. The Bond Bank’s telephone number is (317) 233-0888.

It is the Bond Bank’s current policy to provide its financial statements to the holders of its obligations, including the Bonds, upon written request. In addition, certain other information concerning the Bond Bank is available to the Trustee and holders of the Bonds pursuant to the Indenture. See “CONTINUING DISCLOSURE.”

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

The Bonds are limited obligations of the Bond Bank payable only out of the Trust Estate. The Indenture creates a continuing pledge of and lien upon the Trust Estate to secure the full and final payment of the principal of, and interest on, all of the Bonds. The Bonds do not constitute a debt, liability or loan of the credit of the State or any political subdivision thereof, including any Qualified Entity, under the constitution of the State or a pledge of the faith, credit and taxing power of the State or any political subdivision thereof, including any Qualified Entity. The Bond Bank has no taxing power. The Bonds do not constitute a general or moral obligation of the Bond Bank. The Bond Bank will not maintain a debt service reserve for the Bonds and the

provisions of Indiana Code 5-1.5-5 do not apply to the Bonds. Indiana Code 5-1.5-5 pertains to the requirement that, if there is a deficiency in a debt service reserve fund securing obligations of the Bond Bank, the Chairman of the Bond Bank must certify the amount of such a deficiency to the Indiana General Assembly for its consideration on whether to appropriate funds to restore the debt service reserve fund to its requirement. However, no debt service reserve fund has been established under the Indenture, and, therefore, the provisions of Indiana Code 5-1.5-5 do not apply to the Bonds.

Under the Indenture, the Bonds are secured by a pledge to the Trustee of the Trust Estate, which includes (a) all right, title and interest of the Bond Bank in, to and under the Qualified Obligations and the Purchase Agreements; (b) all right, title and interest in any and all other property, real, personal or mixed, from time to time conveyed, mortgaged, pledged, assigned or transferred as additional security under the Indenture by the Bond Bank or by anyone on behalf of the Bond Bank; (c) the proceeds from the sale of the Bonds; and (d) all revenues held in the Funds and Accounts under the Indenture. The payments with respect to the Qualified Obligations have been structured, as of the date of issuance of the Bonds, to be sufficient along with earnings thereon, and other money in the Funds and Accounts under the Indenture and the earnings thereon, to pay the principal of and interest on the Bonds when due.

The Qualified Entities and the Qualified Obligations

From the proceeds of the Bonds, the Bond Bank intends to purchase and, upon purchase, will pledge to the Trustee the Qualified Obligations. The Qualified Obligations issued by the Qualified Entities and purchased by the Bond Bank under the Program are general obligation bonds of the Qualified Entities issued to fund existing unfunded contractual liabilities for retirement or severance payments (as of June 30, 2001), which constitute payments anticipated to be required to be made to employees of the Qualified Entity upon or after the termination of their employment by the Qualified Entity under an existing or previous employment agreement. See "THE PROGRAM."

The proceeds of the Bonds are anticipated to be used by the Bond Bank to purchase the Qualified Obligations of the respective Qualified Entities described in, and in the amounts set forth in, Appendix A hereto. Certain information related to such Qualified Entities is also set forth in Appendix A. As of the date of the issuance of the Bonds, the Bond Bank will have entered into a Purchase Agreement with each Qualified Entity to purchase their respective Qualified Obligations.

Provisions for Payment of the Qualified Obligations

The Qualified Obligations are general obligations of the Qualified Entity, payable out of ad valorem property tax revenues to be collected on all of the taxable property within the boundaries of the respective Qualified Entities. Indiana Code 22-2-21-10 provides for the establishment by the Indiana Department of Local Government Finance (the "Department of Local Government Finance") of an adequate local school corporation levy to meet the payments of its general obligation bonds and lease rental obligations and provides for such payments if the Qualified Entity cannot meet the payment obligation. In 2006, the Indiana General Assembly enacted legislation providing for a reduction in property tax bills attributable to certain types of

property. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Procedures for Property Tax Assessment, Tax Levy and Collection” for a discussion of the impact of this legislation on the Qualified Obligations.

Prior to the end of each calendar year, the Department of Local Government Finance reviews the bond and lease rental levies of each Qualified Entity that are payable in the next succeeding year, and the appropriations from such levies. If such levies and appropriations of the Qualified Entity are not sufficient to pay the debt service obligations, the Department of Local Government Finance will establish bond and lease rental levies and appropriations which are sufficient to pay such debt service obligations. Upon the failure of any Qualified Entity to pay any of its debt service obligations during the calendar year when due, the State Treasurer, upon being notified of such failure to pay, will make such payment from the funds of the State to the extent, but not in excess, of any amounts appropriated by the General Assembly for the calendar year for distribution to such Qualified Entity from State funds, deducting such payment from amounts thus appropriated.

In addition, as a condition to the issuance of its underlying rating on the Bonds, Standard & Poor’s Ratings Services is requiring the Bond Bank to establish a rating reserve fund (the “Rating Reserve Fund”) in the amount of \$119,000, under the Indenture, all of which is allocable to Merrillville Community School Corporation. This Rating Reserve Fund relates solely to Merrillville Community School Corporation and its Qualified Obligations and does not constitute a debt service reserve fund for the Bond Bank. The Bond Bank has the option of funding the Rating Reserve Fund by depositing \$119,000 or a payment reserve fund surety bond into the fund. Upon the issuance of the Bonds, the Bond Insurer will issue a payment reserve fund surety bond for Merrillville Community School Corporation to fund the Rating Reserve Fund. In the event that Merrillville Community School Corporation fails to make timely payments on its Qualified Obligations and funds in the General Account (as defined herein) are insufficient to pay principal of and interest on the Bonds, the Trustee will transfer funds held in the Rating Reserve Fund to the General Account.

Procedures for Property Assessment, Tax Levy and Collection

The Qualified Obligations of each Qualified Entity are payable from special ad valorem property taxes required by law to be levied by or on behalf of that Qualified Entity. Real and personal property in the State is assessed each year as of March 1. On or before August 1 each year, the County Auditor must submit to each underlying unit a statement of (i) the information concerning the assessed value of the taxing unit for the next calendar year, and (ii) an estimate of the taxes to be distributed to the unit during the last six months of the current budget year.

By statute, the budget, tax rate and levy must be established: no later than the last meeting of the fiscal body in September for Marion County; no later than September 30 for all second class cities; and no later than September 20 for all other units. The budget, tax levy and tax rate are subject to review and revision by the Department of Local Government Finance which can lower, but not raise, the tax levy or tax rate unless the levy proposed by the Qualified Entity is not sufficient to make its debt service or lease rental payments. The Department of Local Government Finance must complete its actions on or before February 15 of the immediately succeeding calendar year.

On or before March 15, the County Auditor prepares and delivers the final abstract of property taxes to the State Auditor. The County Treasurer mails tax statements the following April (but in some counties mailing may be delayed due to reassessment or other factors). Property taxes are due and payable to the County Treasurer in two installments on May 10 and November 10. If an installment of taxes is not completely paid on or before the due date, a penalty of 10% of the amount delinquent is added to the amount due. On May 11 and November 11 of each year after one year of delinquency, an additional penalty equal to 10% of any taxes remaining unpaid is added. The penalties are imposed only on the principal amount of the delinquency. Property becomes subject to tax sale procedures on July 1 if a delinquency then exists with respect to an installment due on or before May 10 of the prior year. The County Auditor distributes property taxes collected to the various taxing units on or before the June 30 or December 31 after the due date of the tax payment.

Pursuant to State law, real property is valued for assessment purposes at its “true tax value” as defined in the 2002 Real Property Assessment Manual adopted by the Department of Local Government Finance (the “Manual”), and as interpreted in the rules and regulations of the Department of Local Government Finance, including the 2002 Real Property Assessment Guidelines, Version A (the “Guidelines”) and the Real Property Assessment Manual Rule, 50 IAC 2.3. The Manual defines “true tax value” as “the market value in use of property for its current use, as reflected by the utility received by the owner or a similar user from that property.” The Manual permits assessing officials in each county to choose any acceptable mass appraisal method to determine true tax value, taking into consideration the ease of administration and the uniformity of the assessments produced by that method. The Guidelines were adopted to provide assessing officials with an acceptable appraisal methodology, although the Manual makes it clear that assessing officials are free to select from any number of appraisal methods, provided that they are capable of producing accurate and uniform values throughout the jurisdiction and across all classes of property. The Manual specifies the standards for accuracy and validation that the Department of Local Government Finance will use to determine the acceptability of any alternate appraisal method.

“Gross Assessed Value” is equal to the true tax value. “Net Assessed Value” or “Taxable Value” represents the “Gross Assessed Value” less certain deductions for mortgages, veterans, the aged, the blind, economic revitalization, resource recovery systems, rehabilitated residential property, solar energy systems, wind power devices, coal conversion systems, hydroelectric power devices, geothermal devices, and tax-exempt property. The “Net Assessed Value” or “Taxable Value” is the value used for taxing purposes in the determination of tax rates.

If a change in assessed value occurs, a written notification is sent by either the township assessor or the County Board of Review to the affected property owner. Upon notification, if the owner wishes to appeal this action, the owner may file a petition requesting a review of the action. This petition must be filed with the County Assessor within 45 days after the written notification is given to the property owner or on May 10 of that year, whichever is later. While the appeal is pending, any taxes on real property that become due on the property in question must be paid in an amount based on the immediately preceding year's assessment or it may be paid based on the amount that is billed.

Indiana Code 6-1.1-21-5 provides each taxpayer with a property tax credit ("PTRC") in a maximum amount equal to the sum of the following: (a) sixty percent (60%) of a taxpayer's tax liability in a calendar year for taxes imposed by a school corporation for its general fund for a stated assessment year on all real and personal property; (b) approximately twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on real property; and (c) and approximately twenty percent (20%) of a taxpayer's tax liability for a stated assessment year for a total county tax levy (less sixty percent (60%) of the levy for the general fund of a school corporation that is part of the total county tax levy) on tangible personal property other than business personal property. Legislation enacted in 2005 may have the effect of reducing the amount of the State PTRC paid to a school corporation.

In 2006, the General Assembly enacted legislation (the "Legislation"), pursuant to which each taxpayer will be entitled to a credit to the extent that its property taxes attributable to the entirety of its real and personal property located in a county are in excess of two percent of the assessed value of such property in that county (the "Circuit Breaker Tax Credit"). The application of the Circuit Breaker Tax Credit shall apply to property taxes first due and payable in calendar year 2010 and each calendar year thereafter. For property taxes due and payable in calendar years 2008 and 2009, each taxpayer will be entitled to a Circuit Breaker Tax Credit to the extent that its property taxes attributable to its qualified residential property located in a county are in excess of two percent of the assessed value of such property in that county. "Qualified residential property" includes: (1) apartment complexes; (2) homesteads; and (3) residential rental property.

Pursuant to the Legislation, in all counties, other than Lake County, the county council may adopt an ordinance on or before June 30, 2006, which provides that, for property taxes due and payable in calendar year 2007, each taxpayer will be entitled to a Circuit Breaker Tax Credit to the extent that its property taxes attributable to any or all of the three types of its qualified residential property described above, as designated by the county council, which is located in that county, are in excess of two percent of the assessed value of such property in that county. Pursuant to the Legislation, in Lake County, the Lake County Council adopted an ordinance on April 11, 2006, which provides that, for property taxes due and payable in calendar years 2006 and 2007, each taxpayer will be entitled to a Circuit Breaker Tax Credit to the extent that its property taxes attributable to its homestead located in Lake County are in excess of two percent of the assessed value of such property in Lake County.

In the event the application of those credits results in a reduction of the property tax collections of any political subdivision, the Legislation prohibits the political subdivision from increasing its property tax levy or borrowing funds to make up for that reduction.

The Department of Local Government Finance (the "DLGF") has taken an administrative position that existing statutes require that tax levies be sufficient to pay debt service on the Qualified Obligations regardless of any reduction in property tax collections due to the application of the Circuit Breaker Tax Credit. The DLGF's position is that property taxes collected by a political subdivision must first be applied to pay debt service or lease rental obligations on all outstanding bonds or lease rental revenue bonds. If property tax collections are insufficient to fully fund debt service or lease rental levies due to the Circuit Breaker Tax

Credit, the DLGF has indicated that taxing units must use non-property tax revenues or revenues from property tax levies for other funds (including operating) to offset revenue loss to the debt service fund. For school corporations, any shortfall could also be funded through the State intercept program; however, application of the intercept program will result in a shortfall in distributions to the school corporation's general fund so that schools are encouraged by the DLGF to fund any shortfall directly from the school corporation's general fund and avoid the application of the intercept program. This application of property tax revenues may affect the ability of political subdivisions to provide existing levels of service and, in extreme cases, the ability to make debt service or lease rental payments.

There has been no judicial interpretation of the Legislation and there is no assurance that the DLGF will continue with this interpretation. In addition, there can be no assurance as to future events or legislation that may affect the Circuit Breaker Tax Credit or the collection of property taxes.

Enforcement of Qualified Obligations

As the owner of the Qualified Obligations, the Bond Bank has available to it all remedies available to owners or holders of securities issued by the Qualified Entities. The Act provides that, upon the sale and delivery of any Qualified Obligations to the Bond Bank, the Qualified Entity is deemed to have agreed that all statutory defenses to nonpayment are waived in the event that such Qualified Entity fails to pay principal of, or interest on, such Qualified Obligations when due.

BOND INSURANCE

XL Capital Assurance Inc. (the "Bond Insurer") has supplied the following information for inclusion in this Official Statement. Reference is made to Appendix D for a specimen of the Bond Insurer's policy.

The Bond Insurer accepts no responsibility for the accuracy or completeness of this Official Statement or any other information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding the Bond Insurer and its affiliates set forth under this heading. In addition, the Bond Insurer makes no representation regarding the Bonds or the advisability of investing in the Bonds.

General

The Bond Insurer is a monoline financial guaranty insurance company incorporated under the laws of the State of New York. The Bond Insurer is currently licensed to do insurance business in, and is subject to the insurance regulation and supervision by, all 50 states, the District of Columbia, Puerto Rico, the U.S. Virgin Islands and Singapore.

The Bond Insurer is an indirect wholly owned subsidiary of XL Capital Ltd, a Cayman Islands exempted company ("XL Capital Ltd"). Through its subsidiaries, XL Capital Ltd is a leading provider of insurance and reinsurance coverages and financial products and services to industrial, commercial and professional service firms, insurance companies and other enterprises on a worldwide basis. The ordinary shares of XL Capital Ltd are publicly traded in the United

States and listed on the New York Stock Exchange (NYSE: XL). **XL Capital Ltd is not obligated to pay the debts of or claims against the Insurer.**

The Bond Insurer was formerly known as The London Assurance of America Inc. ("London"), which was incorporated on July 25, 1991 under the laws of the State of New York. On February 22, 2001, XL Reinsurance America Inc. ("XL Re") acquired 100% of the stock of London. XL Re merged its former financial guaranty subsidiary, known as XL Capital Assurance Inc. (formed September 13, 1999) with and into London, with London as the surviving entity. London immediately changed its name to XL Capital Assurance Inc. All previous business of London was 100% reinsured to Royal Indemnity Company, the previous owner at the time of acquisition.

XL Capital Ltd announced on April 7, 2006 that Security Capital Assurance Ltd ("SCA"), a newly-created holding company for XL Capital Ltd's financial guaranty insurance and reinsurance businesses conducted through XLCA and XL Financial Assurance Ltd. ("XLFA"), had filed a registration statement on Form S-1 with the U.S. Securities and Exchange Commission relating to a proposed initial public offering of a portion of its common shares. Through its operating subsidiaries of XLCA and XLFA, SCA will provide credit enhancement products to the public finance and structured finance markets throughout the U.S. and internationally.

Under the registration statement, a portion of SCA's shares will be issued and sold by SCA and a portion will be sold by SCA's parent, XL Insurance (Bermuda) Ltd, as selling shareholder. After the consummation of the offering, XL Capital Ltd is expected to beneficially own approximately 65% of SCA's outstanding shares.

SCA expects to use the proceeds it receives from the offering primarily for capital contributions to its financial guaranty subsidiaries to support future business growth. SCA intends to apply to have its shares listed on the New York Stock Exchange under the ticker symbol "SCA".

A copy of the registration statement is available on the U.S. Securities and Exchange Commission website at www.sec.gov under Filings & Forms (EDGAR).

Reinsurance

The Bond Insurer has entered into a facultative quota share reinsurance agreement with XLFA, an insurance company organized under the laws of Bermuda, and an affiliate of the Bond Insurer. Pursuant to this reinsurance agreement, the Bond Insurer expects to cede up to 90% of its business to XLFA. The Bond Insurer may also cede reinsurance to third parties on a transaction-specific basis, which cessions may be any or a combination of quota share, first loss or excess of loss. Such reinsurance is used by the Bond Insurer as a risk management device and to comply with statutory and rating agency requirements and does not alter or limit the Bond Insurer's obligations under any financial guaranty insurance policy. With respect to any transaction insured by XLCA, the percentage of risk ceded to XLFA may be less than 90% depending on certain factors including, without limitation, whether XLCA has obtained third party reinsurance covering the risk. As a result, there can be no assurance as to the percentage

reinsured by XLFA of any given financial guaranty insurance policy issued by XLCA, including the Policy.

Based on the audited financials of XLFA, as of December 31, 2005, XLFA had total assets, liabilities, redeemable preferred shares and shareholders' equity of \$1,394,081,000, \$704,007,000, \$39,000,000 and \$651,074,000, respectively, determined in accordance with generally accepted accounting principles in the United States ("US GAAP"). XLFA's insurance financial strength is rated "Aaa" by Moody's and "AAA" by S&P and Fitch Inc. In addition, XLFA has obtained a financial enhancement rating of "AAA" from S&P.

The obligations of XLFA to the Bond Insurer under the reinsurance agreement described above are unconditionally guaranteed by XL Insurance (Bermuda) Ltd ("XLI"), a Bermuda exempted company and one of the world's leading excess commercial insurers. XLI is a wholly owned indirect subsidiary of XL Capital Ltd. In addition to A.M. Best's financial strength rating of "A+" and issuer credit rating of "aa-", XLI's insurance financial strength rating is "Aa3" (Stable Outlook) by Moody's, "A+" by Standard & Poor's and "AA-" (Outlook Stable) by Fitch.

The rating agencies have taken certain actions with respect to XL Capital Ltd and various insurance operating subsidiaries of XL Capital Ltd, as described below. On November 22, 2005, Moody's downgraded the senior debt rating of XL Capital Ltd from "A2" to "A3" and downgraded the other insurance financial strength ratings of various insurance operating subsidiaries of XL Capital Ltd (other than XLCA and XLFA) from "Aa2" to "Aa3". On November 28, 2005, Standard & Poor's downgraded the senior debt rating of XL Capital Ltd from "A" to "A-" and downgraded the counterparty credit and financial strength ratings of various insurance operating subsidiaries of XL Capital Ltd (other than XLCA and XLFA) from "AA-" to "A+". On February 28, 2006, Fitch revised the long term issuer rating of XL Capital Ltd from "A-" to "A". On October 26, 2005, Fitch downgraded the insurer financial strength ratings of various insurance operating subsidiaries of XL Capital Ltd (other than XLCA and XLFA) from "AA" to "AA-".

The ratings of XLFA, XLI or any other member of the XL Capital Ltd group of companies are not recommendations to buy, sell or hold securities, including the Bonds and are subject to revision or withdrawal at any time by Moody's, Standard & Poor's or Fitch.

Notwithstanding the capital support provided to the Bond Insurer described in this section, the Bondholders will have direct recourse against the Bond Insurer only, and neither XLFA nor XLI will be directly liable to the Bondholders.

Financial Strength and Financial Enhancement Ratings of XLCA

The Bond Insurer's insurance financial strength is rated "Aaa" by Moody's and "AAA" by Standard & Poor's and Fitch, Inc. ("Fitch"). In addition, XLCA has obtained a financial enhancement rating of "AAA" from Standard & Poor's. These ratings reflect Moody's, Standard & Poor's and Fitch's current assessment of the Bond Insurer's creditworthiness and claims-paying ability as well as the reinsurance arrangement with XLFA described under "Reinsurance" above.

The above ratings are not recommendations to buy, sell or hold securities, including the Bonds and are subject to revision or withdrawal at any time by Moody's, Standard & Poor's or Fitch. Any downward revision or withdrawal of these ratings may have an adverse effect on the market price of the Bonds. The Bond Insurer does not guaranty the market price of the Bonds nor does it guaranty that the ratings on the Bonds will not be revised or withdrawn.

Capitalization of the Bond Insurer

Based on the audited financials of XLCA, as of December 31, 2005, XLCA had total assets, liabilities, and shareholder's equity of \$953,706,000, \$726,758,000, and \$226,948,000, respectively, determined in accordance with U.S. GAAP.

Based on the unaudited statutory financial statements for XLCA as of December 31, 2005 filed with the State of New York Insurance Department, XLCA has total admitted assets of \$328,231,000, total liabilities of \$139,392,000, total capital and surplus of \$188,839,000 and total contingency reserves of \$13,031,000 determined in accordance with statutory accounting practices prescribed or permitted by insurance regulatory authorities ("SAP"). Based on the audited statutory financial statements for XLCA as of December 31, 2004 filed with the State of New York Insurance Department, XLCA had total admitted assets of \$341,937,000, total liabilities of \$143,494,000, total capital and surplus of \$198,443,000 and total contingency reserves of \$7,342,000 determined in accordance with SAP.

Incorporation by Reference of Financials

For further information concerning XLCA and XLFA, see the financial statements of XLCA and XLFA, and the notes thereto, incorporated by reference in this Official Statement. The financial statements of XLCA and XLFA are included as exhibits to the periodic reports filed with the Securities and Exchange Commission (the "Commission") by XL Capital Ltd and may be reviewed at the EDGAR website maintained by the Commission. All financial statements of XLCA and XLFA included in, or as exhibits to, documents filed by XL Capital Ltd pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 on or prior to the date of this Official Statement, or after the date of this Official Statement but prior to termination of the offering of the Bonds, shall be deemed incorporated by reference in this Official Statement. Except for the financial statements of XLCA and XLFA, no other information contained in XL Capital Ltd's reports filed with the Commission is incorporated by reference. Copies of the statutory quarterly and annual statements filed with the State of New York Insurance Department by XLCA are available upon request to the State of New York Insurance Department.

Regulation of the Bond Insurer

The Bond Insurer is regulated by the Superintendent of Insurance of the State of New York. In addition, the Bond Insurer is subject to regulation by the insurance laws and regulations of the other jurisdictions in which it is licensed. As a financial guaranty insurance company licensed in the State of New York, the Bond Insurer is subject to Article 69 of the New York Insurance Law, which, among other things, limits the business of each insurer to financial guaranty insurance and related lines, prescribes minimum standards of solvency, including minimum capital requirements, establishes contingency, loss and unearned premium reserve

requirements, requires the maintenance of minimum surplus to policyholders and limits the aggregate amount of insurance which may be written and the maximum size of any single risk exposure which may be assumed. The Bond Insurer is also required to file detailed annual financial statements with the New York Insurance Department and similar supervisory agencies in each of the other jurisdictions in which it is licensed.

The extent of state insurance regulation and supervision varies by jurisdiction, but New York and most other jurisdictions have laws and regulations prescribing permitted investments and governing the payment of dividends, transactions with affiliates, mergers, consolidations, acquisitions or sales of assets and incurrence of liabilities for borrowings.

THE FINANCIAL GUARANTY INSURANCE POLICIES ISSUED BY THE BOND INSURER, INCLUDING THE INSURANCE POLICY, ARE NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

The principal executive offices of the Bond Insurer are located at 1221 Avenue of the Americas, New York, New York 10020 and its telephone number at this address is (212) 478-3400.

THE PROGRAM

General

Age discrimination laws, the rapid growth of many school corporations and market-driven increases in teachers salaries have caused significant increases with respect to the existing unfunded contractual retirement or severance liability of school corporations in the State. The contractual retirement or severance liability of a school corporation means the payments anticipated to be required to be made to employees of the school corporation upon or after the termination of their employment by the school corporation under an existing or previous employment agreement.

As a solution to this problem, the General Assembly enacted legislation authorizing school corporations to issue general obligation bonds to implement solutions to contractual retirement or severance liability. Originally, the General Assembly enacted, subsequently amended and later repealed Indiana Code 20-5-4-1.7. Following the repeal of Indiana Code 20-5-4-1.7, the General Assembly enacted 21-2-21-1.8. Bonds issued pursuant to Indiana Code 21-2-21-1.8 are payable out of ad valorem taxes to be collected on the taxable property within the boundaries of the school corporation. The school corporation's authority to issue such bonds is subject to the following limitations: (i) the school corporation did not issue under Indiana Code 20-5-4-1.7 or issued bonds under Indiana Code 20-5-4-1.7 before April 14, 2003; (ii) the school corporation may issue such bonds only one time and the bonds have to be issued before July 1, 2006; (iii) the solution to which the bonds are contributing must be reasonably expected to reduce the school corporation's existing unfunded contractual liability for retirement or severance payments, as of June 30, 2001; (iv) the amount of bonds that may be issued for the purpose described above may not exceed two percent of the true tax value of property in the school corporation as of the date the school corporation issued bonds under Indiana Code 20-5-4-1.7 minus the amount of bonds the school corporation issued under Indiana Code 20-5-4-1.7, for

a school that issued bonds under Indiana Code 20-5-4-1.7; and (v) each year that a debt service levy is needed to satisfy the payment obligations on the bonds, the school corporation will reduce its total property tax levy for the school corporation's transportation, school bus replacement, capital projects, or art association and historical society funds in an amount equal to the property tax levy needed for debt service.

In order to facilitate the implementation of solutions to the contractual retirement or severance liability by the school corporations, the Bond Bank has established the Program, pursuant to which it will issue its bonds, including the Bonds, and use the proceeds to purchase pools of bonds issued by school corporations, including the Qualified Obligations.

Program Participation and Borrowing Limits

To be considered for participation in the Program, a Qualified Entity submits an application to the Bond Bank. Application information and data supplied by each Qualified Entity seeking to participate in the Program included among other things the following: the unaudited receipts and disbursements for calendar year 2005; the anticipated receipts and disbursements for calendar year 2006; a list of the ten largest taxpayers; tax collection history; historical and projected budget and levy information; and general economic and demographic information and data.

Upon receipt of applications for participation in the Program, each applying Qualified Entity is analyzed to determine, consistent with the purposes of the Bond Bank, whether such Qualified Entity would be recommended to participate in the Program. Such analysis consists of an internal financial review undertaken by the Bond Bank with the assistance of London Witte Group LLC, as financial advisor to the Bond Bank. The Qualified Entities described in Appendix A have applied for participation in the Program, have been analyzed by the Bond Bank and its financial advisor and have been approved for participation in the Program by the Board of Directors of the Bond Bank.

The amount which a Qualified Entity may borrow from the Bond Bank under the Program is approved by the Department of Local Government Finance. Based on documentation and estimates supplied by such Qualified Entity at or prior to the time of the issuance of the Bonds, the Bond Bank's financial advisor has performed certain computations to verify that such amount does not exceed two percent of the true tax value of property within the boundaries of the Qualified Entity.

Each Qualified Entity is required to represent and warrant certain matters to the Bond Bank in order to be eligible to participate in the Program. See "FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT" in Appendix E.

Refunding Bonds

The Bond Bank may issue Refunding Bonds ("Refunding Bonds") to refund all or any part of the Bonds outstanding. Refunding Bonds will be issued in a principal amount sufficient, together with other moneys available therefor, to accomplish such refunding and to make such deposits required by the provisions of the Act, the Indenture and any Supplemental Indenture authorizing the issuance of the Refunding Bonds.

RISK FACTORS

Purchasers of the Bonds are advised of certain risk factors with respect to the delivery and payment of the Qualified Obligations by the Qualified Entities, and delivery and payment of the Bonds. This discussion is not intended to be all-inclusive, and other risks may also be present.

The ability of the Bond Bank to pay principal of, and interest on, the Bonds depends upon the receipt by the Bond Bank of payments pursuant to the Qualified Obligations, including interest at the rates provided therein, from all Qualified Entities participating in the Program which are obligated to make such payments to the Bond Bank, together with earnings on the amounts in the Funds and Accounts sufficient to make such payments. The Bond Bank will not maintain a debt service reserve for the Bonds and the provisions of Indiana Code 5-1.5-5 do not apply to the Bonds. Indiana Code 5-1.5-5 pertains to the requirement that, if there is a deficiency in a debt service reserve fund securing obligations of the Bond Bank, the Chairman of the Bond Bank must certify the amount of such a deficiency to the Indiana General Assembly for its consideration on whether to appropriate funds to restore the debt service reserve fund to its requirement.

Except for the Rating Reserve Fund discussed above under “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Provisions for Payment of the Qualified Obligations,” there is no source of funds available to make up for any deficiencies in the event of one or more defaults by one or more Qualified Entities in such payments on the Qualified Obligations. There can be no representation or assurance that all of the Qualified Entities participating in the Program will receive sufficient taxes or other revenues or otherwise have sufficient funds available to make their required payments on the Qualified Obligations. The Qualified Entities are required by law to levy a tax sufficient to pay debt service on their respective Qualified Obligations, although the receipt of such revenues by any Qualified Entity is subject to, among other things, future economic conditions, actions by creditors, delays in tax collections as a result of reassessment and other conditions which are variable and not certain of prediction. For a description of procedures for providing for the payment of Qualified Obligations, see the captions “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Provisions for Payment of the Qualified Obligations,” “— Procedures for Property Assessment, Tax Levy and Collection” and “THE PROGRAM.”

The remedies available to the Trustee, to the Bond Bank or to the owners of the Bonds upon the occurrence of an Event of Default under the Indenture or under the terms of any of the Qualified Obligations purchased by the Bond Bank and the related Purchase Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Indenture and under the Purchase Agreements and the Qualified Obligations may not be readily available or may be limited.

THE BONDS

General Description

The Bonds are issuable under the Indenture as fully registered bonds in denominations of \$5,000 or any integral multiple thereof. Each Bond will be dated the date of delivery and will bear interest from the most recent Interest Payment Date on which interest was paid prior to the date of authentication of such Bond, unless the Bond is authenticated on or before December 31, 2006, in which case interest will be paid on the original date of the Bond, or unless the Bond is authenticated after a Record Date but on or before the related Interest Payment Date, in which case interest will be paid from the related Interest Payment Date.

The Bonds will be issued in the aggregate principal amount of \$121,670,000, and will mature and bear interest as set forth on the inside cover page of this Official Statement.

For so long as the Bonds are registered in the name of The Depository Trust Company (“DTC”) or its nominee, payments of the principal of, premium, if any, and interest on the Bonds will be paid only to DTC or its nominee. Interest on the Bonds will be paid on each Interest Payment Date by wire transfer to DTC or its nominee. Principal will be paid to DTC or its nominee upon presentation and surrender of the Bonds at the principal office of the Trustee. Neither the Bond Bank nor the Trustee will have any responsibility for the Beneficial Owner’s receipt from DTC or its nominee, or from any DTC Direct Participant or Indirect Participant, of any payments of principal or interest on the Bonds. See “THE BONDS – Book-Entry-Only System.”

If the Bonds are no longer registered in the name of DTC or its nominee, or any other clearing agency, interest on the Bonds will be payable semiannually on January 15 and July 15 of each year, commencing on the first Interest Payment Date after the Bonds are no longer so registered by check issued by the Paying Agent dated the due date and mailed one Business Day prior to each Interest Payment Date to the registered Owners as of the close of business on the most recent Record Date or by wire transfer to Owners of \$1,000,000 or more in principal amount of the Bonds upon written request of such owners. Principal will be payable on the maturity date of such Bond upon presentation of the Bond at the principal corporate trust office of the Trustee.

Optional Redemption

The Bonds maturing on and after January 15, 2017 are subject to optional redemption, in whole or in part, prior to maturity on and after July 15, 2016 at par.

Mandatory Redemption

The Bonds maturing on July 15, 2021 are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, but without premium, plus accrued interest to the redemption date, on the dates indicated below:

<u>Date</u>	<u>Principal Amount</u>
January 15, 2018	4,045,000
July 15, 2018	4,065,000
January 15, 2019	4,190,000
July 15, 2019	4,325,000
January 15, 2020	4,455,000
July 15, 2020	4,580,000
January 15, 2021	4,715,000
July 15, 2021 [†]	3,140,000

[†] Final Maturity.

The Bonds maturing on July 15, 2023 are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, but without premium, plus accrued interest to the redemption date, on the dates indicated below:

<u>Date</u>	<u>Principal Amount</u>
January 15, 2022	2,900,000
July 15, 2022	1,855,000
January 15, 2023	1,895,000
July 15, 2023 [†]	1,965,000

[†] Final Maturity.

The Bonds maturing on January 15, 2027 are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, but without premium, plus accrued interest to the redemption date, on the dates indicated below:

<u>Date</u>	<u>Principal Amount</u>
January 15, 2024	2,015,000
July 15, 2024	2,075,000
January 15, 2025	2,145,000
July 15, 2025	2,210,000
January 15, 2026	2,275,000
July 15, 2026	2,345,000
January 15, 2027 [†]	2,420,000

[†] Final Maturity.

The Bonds maturing on January 15, 2029 are subject to mandatory sinking fund redemption prior to maturity at a price equal to the principal amount thereof, but without premium, plus accrued interest to the redemption date, on the dates indicated below:

<u>Date</u>	<u>Principal Amount</u>
July 15, 2027	45,000
January 15, 2028	45,000
July 15, 2028	45,000
January 15, 2029 [†]	50,000

[†] Final Maturity.

The Trustee is required to credit against the mandatory sinking fund requirement for the Bonds maturing on July 15, 2021, July 15, 2023, January 15, 2027 and January 15, 2029 as set forth above, any Bonds of such maturity delivered to the Trustee for cancellation or purchased for cancellation by the Trustee and canceled by the Trustee and not theretofore applied as a credit against any redemption obligation. Each Bond of such maturity so delivered or canceled will be credited by the Trustee at one hundred percent (100%) of the principal amount thereof against the mandatory sinking fund obligation on such mandatory redemption date. Any amount in excess of such amount will be credited to future redemption obligations, and the principal amount of such Bonds of such maturity to be redeemed by operation of the mandatory sinking fund requirements will be accordingly reduced; provided, however, the Trustee will credit such Bond only to the extent they are received on or before 45 days preceding the applicable mandatory redemption date as set forth above.

Notice of Redemption

Notice of any redemption, identifying the Bonds to be redeemed, will be given by the Trustee at least 30 days but not more than 45 days prior to the Redemption Date by mailing a copy of the redemption notice by registered or certified mail to the registered Owner of each Bond to be redeemed at the address shown on the Bond Register.

For so long as the Bonds are registered in the name of DTC or its nominee, the Trustee will send notices of redemption of Bonds only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank nor the Trustee will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Direct Participant or Indirect Participant, of any notices of redemption. See "THE BONDS – Book-Entry-Only System."

Redemption Payments

Prior to the date fixed for redemption, there must be on deposit with the Trustee sufficient funds to pay the redemption price of the Bonds subject to redemption, together with the accrued interest on the Bonds to the redemption date. After the redemption date, if sufficient funds have been deposited with the Trustee, interest will cease to accrue on the Bonds that have been called for redemption.

For so long as the Bonds are registered in the name of DTC or its nominee, redemption payments on the Bonds will be paid by the Trustee only to DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank nor the Trustee will have any responsibility for any Beneficial Owner's receipt from DTC or its nominee, or from any DTC Direct Participant or Indirect Participant, of any redemption payments on any Bonds. See "THE BONDS – Book-Entry-Only System."

Selection of Bonds for Redemption

If fewer than all of the Bonds are to be redeemed, the Bonds will be redeemed only in whole multiples of \$5,000. For purposes of redemption, each \$5,000 of principal will be considered as a Bond. If fewer than all of the Bonds will be called for redemption, the principal amount and maturity of the particular Bonds to be redeemed will be selected by the Bond Bank. The Trustee will select the particular Bonds to be redeemed by lot within a maturity in such manner as the Trustee may determine.

For so long as the Bonds are registered in the name of DTC or its nominee, the Trustee will select for redemption only Bonds or portions thereof registered in the name of DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank nor the Trustee will have any responsibility for selecting for redemption any Beneficial Owner's interests in the Bonds. See "THE BONDS – Book-Entry-Only System."

Exchange and Transfer

The Bonds may be transferred or exchanged at the principal corporate trust office of the Trustee, to the extent and upon the conditions set forth in the Indenture, including the payment of a sum sufficient to cover any tax or other governmental charge for any such transfer or exchange that may be imposed upon the Bond Bank or the Trustee.

If any Bond is mutilated, lost, stolen or destroyed, the Bond Bank may issue and the Trustee may authenticate a new Bond in accordance with the provisions therefor in the Indenture including an indemnity satisfactory to both, and the Bond Bank and the Trustee may charge the holder or Owner of such Bonds for its reasonable fees and expenses in connection therewith, including the cost of having a replacement Bond printed.

For so long as the Bonds are registered in the name of DTC or its nominee, the Trustee will transfer and exchange Bonds only on behalf of DTC or its nominee, in accordance with the preceding paragraph. Neither the Bond Bank, nor the Trustee will have any responsibility for transferring or exchanging any Beneficial Owner's interests in the Bonds. See "THE BONDS – Book-Entry-Only System."

Book-Entry-Only System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each

maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of the Depository Trust and Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation (NSCC, GSCC, MBSCC and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange, LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Direct and Indirect Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of the Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds

are credited, which may or may not be the Beneficial Owners. The Direct or Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices will be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Bond Bank as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Bond Bank or the Trustee on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the Bond Bank, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Bank or the Trustee, disbursements of such payments to Direct Participants will be the responsibility of DTC, and disbursements of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Bond Bank or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bonds are required to be printed and delivered.

The Bond Bank may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depositor). In that event, Bonds will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Bond Bank believes to be reliable, but the Bond Bank takes no responsibility for the accuracy thereof.

ESTIMATED SOURCES AND USES OF FUNDS

The estimated sources and uses of funds related to acquiring the Qualified Obligations and paying costs incidental to the sale and delivery of the Bonds are estimated as shown below:

Sources of Funds:

Principal Amount of Bonds	\$121,670,000
TOTAL SOURCES	\$121,670,000

Uses of Funds:

Deposit to the General Fund ⁽¹⁾	\$ 2,190,000
Acquisition of Qualified Obligations	117,855,245
Costs of Issuance and Miscellaneous ⁽²⁾	<u>1,624,755</u>
TOTAL USES	\$121,670,000

⁽¹⁾ Capitalized interest to be used to pay a portion of the interest on the Bonds through January 15, 2007.

⁽²⁾ Includes Underwriters' discount and the premiums for the municipal bond insurance policy and the surety bond.

THE INDIANA BOND BANK

The Bond Bank was created in 1984, and is organized and existing under and by virtue of the Act as a separate body corporate and politic, constituting an instrumentality of the State for the public purposes set forth in the Act. The Bond Bank is not an agency of the State, but is separate from the State in its corporate and sovereign capacity and has no taxing power.

Powers Under the Act

Under the Act, the Bond Bank has a perpetual existence and is granted all powers necessary, convenient or appropriate to carry out its public and corporate purposes including, without limitation, the power to do the following:

1. Make, enter into and enforce all contracts necessary, convenient or desirable for the purposes of the Bond Bank or pertaining to a loan to or a lease or an agreement with a qualified entity, a purchase, acquisition or a sale of qualified obligations or other investments or the performance of its duties and execution of its powers under the Act;
2. Purchase, acquire or hold qualified obligations or other investments for the Bond Bank's own account or for a qualified entity at such prices and in a manner as the Bond Bank considers advisable, and sell or otherwise dispose of the qualified

obligations or investments at prices without relation to cost and in a manner the Bond Bank considers advisable;

3. Fix and establish terms and provisions upon which a purchase or loan will be made by the Bond Bank;
4. Prescribe the form of application or procedure required of a qualified entity for a purchase or loan and enter into agreements with qualified entities with respect to each purchase or loan;
5. Render and charge for services to a qualified entity in connection with a public or private sale of any qualified obligation, including advisory and other services;
6. Charge a qualified entity for costs and services in review or consideration of a proposed purchase, regardless of whether a qualified obligation is purchased, and fix, revise from time to time, charge and collect other program expenses properly attributable to qualified entities;
7. To the extent permitted by the indenture or other agreements with the owners of bonds or notes of the Bond Bank, consent to modification of the rate of interest, time and payment of installments of principal or interest, security or any other term of a bond, note, contract or agreement of any kind to which the Bond Bank is a party;
8. Appoint and employ general or special counsel, accountants, financial advisors or experts, and all such other or different officers, agents and employees as it requires;
9. In connection with any purchase, consider the need for and desirability or eligibility of the qualified obligation to be purchased, the ability of the qualified entity to secure financing from other sources, the costs of such financing and the particular public improvement or purpose to be financed or refinanced with the proceeds of the qualified obligation to be purchased by the Bond Bank;
10. Temporarily invest moneys available until used for making purchases, in accordance with the indenture or any other instrument authorizing the issuance of bonds or notes; and
11. Issue bonds or notes of the Bond Bank in accordance with the Act bearing fixed or variable rates of interest in aggregate principal amounts considered necessary by the Bond Bank to provide funds for any purposes under the Act; provided, that the total amount of bonds or notes of the Bond Bank outstanding at any one time may not exceed any aggregate limit imposed by the Act, currently fixed at \$1,000,000,000. Such aggregate limit of \$1,000,000,000 does not apply to (i) bonds or notes issued to fund or refund bonds or notes of the Bond Bank; (ii) bonds or notes issued for the purpose of purchasing an agreement executed by a qualified entity under Indiana Code 21-1-5; (iii) bonds, notes, or other obligations not secured by a reserve fund under Indiana Code 5-1.5-5; and (iv) bonds, notes,

or other obligations if funds and investments, and the anticipated earned interest on those funds and investments, are irrevocably set aside in amounts sufficient to pay the principal, interest, and premium on the bonds, notes, or obligations at their respective maturities or on the date or dates fixed for redemption.

Under the Act, the Bond Bank may not do any of the following:

1. Lend money other than to a qualified entity;
2. Purchase a security other than a qualified obligation to which a qualified entity is a party as issuer, borrower or lessee, or make investments other than as permitted by the Act;
3. Deal in securities within the meaning of or subject to any securities law, securities exchange law or securities dealers law of the United States, the State or any other state or jurisdiction, domestic or foreign, except as authorized by the Act;
4. Emit bills of credit or accept deposits of money for time or demand deposit, administer trusts or engage in any form or manner, or in the conduct of, any private or commercial banking business or act as a savings bank, savings and loan association or any other kind of financial institution; or
5. Engage in any form of private or commercial banking business.

Organization and Membership of the Bond Bank

The membership of the Board of Directors of the Bond Bank (the “Board”) consists of seven Directors: the Treasurer of State, serving as Chairman Ex Officio, the Director of the Indiana Finance Authority, appointed by the Governor and serving as Director Ex Officio, and five Directors appointed by the Governor of the State. Each of the five Directors appointed by the Governor must be a resident of the State and must have substantial expertise in the buying, selling and trading of municipal securities or in municipal administration or public facilities management. Each such Director will serve for a three-year term as set forth below. Upon expiration of such term, a Director will continue to serve until a successor is appointed and qualified. Each such Director is also eligible for reappointment and may be removed for cause by the Governor. Any vacancy on the Board is filled by appointment of the Governor for the unexpired term only.

The Board elects one Director to serve as Vice Chairman. The Board also appoints and fixes the duties and compensation of an Executive Director, who serves as both secretary and treasurer. The powers of the Bond Bank are vested in the Board of Directors, any four of whom constitute a quorum. Action may be taken at any meeting of the Board by the affirmative vote of at least four Directors. A vacancy on the Board does not impair the right of a quorum to exercise the powers and perform the duties of the Board.

Directors

The following persons, including those persons with the particular types of experience required by the Act, comprise the present Board:

Tim Berry, Treasurer of the State of Indiana, February 10, 1999 to present and Chairman Ex Officio. Residence: Indianapolis, Indiana. Member, Indiana State Board of Finance; Vice-Chairman, Indiana Housing Finance Authority; Secretary-Investment Manager, Indiana Board for Depositories; Member, Governing Board of the Indiana Department of Revenue; Treasurer, Indiana State Office Building Commission; Treasurer, Indiana Recreational Development Commission; Trustee, Indiana State Police Pension Fund; Board Member, Indiana Transportation Finance Authority; Allen County, Indiana Treasurer 1990 to February, 1999.

Ryan C. Kitchell, Public Finance Director of the Indiana Finance Authority, January 10, 2005 to present. Residence: Zionsville, Indiana. Chairman, Board for Public Depositories; Board Member, Indiana Deferred Compensation Committee; Board Member, Indiana Housing Finance Authority; Board Member, Indiana Health and Educational Facility Financing Authority. Senior Financial Analyst, Eli Lilly & Company, 2002-2005; Research Associate, Indiana Fiscal Policy Institute, 1999-2000; Investment and Senior Analyst, Prudential Capital Group, 1996-1999.

Clark H. Byrum, Vice Chairman; term expired July 1, 2003. Residence: Indianapolis, Indiana. Chairman of the Board and President, The Key Corporation, Indianapolis, Indiana, 1977 to present; Chairman of the Board, American State Bank of Lawrenceburg, Aurora and Greendale, Indiana, 1990 to present; Board Member, NCB Corporation and Norcen Bank, 1986 to present; Member, American Bankers Association; Member, Indiana Bankers Association; Member, National Association of Life Underwriters.

C. Kurt Zorn, Director; term expired July 1, 2003. Residence: Bloomington, Indiana. Professor of Public and Environmental Affairs, Indiana University, 1994 to present; Chairman, State Board of Tax Commissioners, January 1991 to August 1994; Associate Professor, School of Public and Environmental Affairs, Indiana University, 1987 to 1994 (on leave 1989 to 1992); Member, American Economic Association; Member, National Tax Association; Member, Governmental Finance Officers Association.

Russell Breeden, III, Director; term expired July 1, 2003. Residence: Indianapolis, Indiana. Chairman of the Board and CEO, Community First Financial Group, Inc., 1993 to 2002. Director, English State Bank, 1993 to present; Chairman, Peoples Trust Bank Company, 1994 to present; Chairman, Peninsula Banking Group, 1995 to present; Chairman, Bay Cities National Bank, 1995 to present; Director and President, Bettenhausen Motorsports, Inc., 1988 to present.

Marni McKinney; Director, term expired July 1, 2004. Residence: Indianapolis, Indiana. Vice President, 1984 to 1999 and Chairman of the Board, 1999 to present, First Indiana Bank; President and CEO, The Somerset Group, 1995 to 2000; Vice Chairman and Chief Executive Officer, First Indiana Corporation, 1999 to present; Board of Directors, The Children's Museum and Community Hospitals of Indiana, Inc.; Investment Committee Member, The Indianapolis Foundation.

Russell Lloyd, Jr.; Director; term expires July 1, 2006. Residence: Evansville, Indiana, Senior Director, Kruse, Dicus and Associates, LLP 2004 to Present; Mayor, Evansville, Indiana, 2000 to 2003; Controller and Assistant Controller, Evansville, Indiana, 1988 to 1999; Various Management Positions, Citizens National Bank, 1980 to 1988.

Although the expiration date of the terms of four Directors has passed, the Act provides that their terms will not expire until their successors are appointed and qualified. No such successors have been appointed and qualified.

The Board is authorized to appoint and fix the duties and compensation of an Executive Director, who serves as both secretary and treasurer of the Board. Dan Huge was appointed Executive Director of the Indiana Bond Bank on October 9, 2001. Mr. Huge previously served as the Deputy Director of The Indianapolis Local Public Improvement Bond Bank for over three years. Mr. Huge has over 19 years of corporate accounting and managerial experience. He is a Certified Public Accountant and holds a B.S. from Purdue University.

OPERATION OF FUNDS AND ACCOUNTS

The Indenture creates and establishes a General Fund which will be held by the Trustee and will consist of the following accounts:

1. General Account
2. Redemption Account
3. Bond Issuance Expense Account

The Indenture also creates and establishes a Rating Reserve Fund which will be held by the Trustee.

General Account

The Trustee will deposit \$120,045,245 from Bond proceeds in the General Account of the General Fund, \$117,855,245 of which will be used to purchase the Qualified Obligations. The remainder of the proceeds deposited in the General Account will be used to pay a portion of the interest due on the Bonds on January 15, 2007. The Trustee will also deposit in the General Account all Revenues and all income or gain on Investment Securities attributable to any fund or account.

Moneys in the General Account of the General Fund will be disbursed as follows: (i) on the date of delivery of the Bonds, to purchase Qualified Obligations as set forth in the Indenture, upon the submission of requisitions of the Bond Bank signed by an Authorized Officer stating that all requirements for the purchase of the Qualified Obligations have been or will be satisfied; (ii) not later than 10:00 a.m., Indianapolis time, one (1) Business Day prior to each Interest Payment Date, to the Trustee such amounts as may be necessary to pay interest due to be paid on Outstanding Bonds on such Interest Payment Date; and (iii) not later than 10:00 a.m., Indianapolis time, one (1) Business Day prior to each Interest Payment Date, to the Trustee such amounts as may be necessary, if any, to pay principal due to be paid on Outstanding Bonds on such Interest Payment Date.

Redemption Account

There will be deposited in the Redemption Account all moneys received upon the sale or optional or mandatory redemption (prior to maturity) of Qualified Obligations and all other moneys required to be deposited therein pursuant to the Indenture. Moneys in the Redemption Account will be distributed as follows: (i) on the fifteenth day of each month, to the General Account, an amount equal to the principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed prior to maturity, (ii) on the second Business Day prior to any Interest Payment Date, if amounts in the General Account are not sufficient to make the payments of principal and interest required to be made on such date, to the General Account amounts in the Redemption Account available for such transfer and not otherwise committed under the Indenture to the redemption of Bonds for which notice of redemption has been given; and (ii) after provision has been made for the payments required under (i) and (ii) above to (a) redeem Bonds of such maturity or maturities as may be directed by an Authorized Officer if such Bonds are then subject to redemption or (b) purchase Bonds of such maturity or maturities as directed by an Authorized Officer at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds will then be subject to redemption. Such price may not, however, exceed the redemption price which would be payable on the next ensuing redemption date on which the Bonds so purchased are redeemable according to their terms. The Trustee will pay the interest accrued on any Bonds so purchased to the date of delivery thereof from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase will be made by the Trustee within the period of forty-five (45) days next preceding an Interest Payment Date or a date on which such Bonds are subject to redemption.

At the direction of the Bond Bank, the Trustee may transfer any amounts in the Redemption Account to the General Account of the General Fund provided that the Trustee is provided with a Cash Flow Certificate taking into account such transfer.

Bond Issuance Expense Account

The Trustee will deposit \$428,822.40 of the proceeds of the Bonds in the Bond Issuance Expense Account for the purpose of paying the costs associated with issuing the Bonds. Moneys in the Bond Issuance Expense Account will be disbursed to pay Costs of Issuance of the Bonds or to reimburse the Bond Bank for amounts previously advanced for such costs, upon the Trustee's receipt of acceptable invoices or requisitions. All funds in the Bond Issuance Expense Account which are not expended for Costs of Issuance prior to September 1, 2006 will be transferred to the General Account of the General Fund.

Rating Reserve Fund

The Trustee will deposit in the Rating Reserve Fund all moneys required to be deposited therein pursuant to the Indenture (or as set forth in any Supplemental Indenture), the Purchase Agreement with Merrillville Community School Corporation. The Trustee will transfer funds held in the Rating Reserve Fund to the General Account only to the extent there has been a default in the payment of the Qualified Obligations of Merrillville Community School Corporation, and if moneys in the General Account are insufficient to pay principal of and

interest on the Bonds after all the transfers thereto required to be made under the Indenture (from the Redemption Account) have been made.

Amounts Remaining in Funds

Any amounts remaining in any Fund or Account after full payment of all of the Bonds outstanding under the Indenture and the fees, charges and expenses of the Trustee will be distributed to the Bond Bank, unless otherwise provided for in the Indenture.

Investment of Funds

Moneys held as a part of any Fund or Account under the Indenture will be invested and reinvested at all times as fully as reasonably possible by the Trustee in investments defined to be Investment Securities under the Indenture and in accordance with the provisions of the Act and the terms and conditions of the Indenture.

The Bond Bank will direct the Trustee (with such direction to be confirmed in writing) in the investment of such moneys. The Bond Bank will so direct the Trustee, and the Bond Bank and the Trustee will make all such investments of moneys under the Indenture, in accordance with prudent investment standards reasonably expected to produce the greatest investment yields while seeking to preserve principal. The Bond Bank may direct the Trustee to invest all moneys held in the General Account relating to the Bonds pursuant to the provisions of an investment agreement (the "Investment Agreement").

All investments will be a part of the Fund or Account from which moneys were used to acquire such investments, and all income and profits on such investments will be deposited as received in the General Account. Any investment income, gains or losses will be charged to the Fund or Account from which moneys were employed to invest in the Investment Security, and the Trustee will not be liable for any investment losses so long as the Trustee complies with the provisions of the Indenture. Moneys in any Fund or Account will be invested in Investment Securities with maturity dates (or redemption dates determinable at the option of the owner of such Investment Securities) coinciding as nearly as practicable with the times at which moneys in such Funds or Accounts will be required for transfer or disbursement under the Indenture. The Trustee will sell and reduce to cash at the best price reasonably obtainable sufficient amounts of such Investment Securities in the respective Fund or Account as may be necessary to make up a deficiency in any amounts contemplated to be disbursed from such Fund or Account.

THE BONDS AS LEGAL INVESTMENTS

Under the Act, all financial institutions, investment companies, insurance companies, insurance associations, executors, administrators, guardians, trustees and other fiduciaries in the State may legally invest sinking funds, money or other funds belonging to or within the control of such fiduciaries in the bonds and Bonds of the Bond Bank issued under the Act.

LITIGATION

Bond Bank

There is not now pending or, to the Bond Bank's knowledge, threatened any litigation (1) restraining or enjoining the issuance, sale, execution or delivery of the Bonds, (2) prohibiting the Bond Bank from purchasing the Qualified Obligations with the proceeds of such Bonds, (3) in any way contesting or affecting the validity of the Bonds or (4) restraining or enjoining any proceedings of the Bond Bank taken with respect to the issuance or sale thereof or the pledge or application of any moneys or security provided for the payment of the Bonds. Neither the creation, organization or existence of the Bond Bank nor the title of any of the present Directors or other officers of the Bond Bank to their respective offices is being contested.

Qualified Entities

Upon the issuance of the Qualified Obligations, the Bond Bank will receive a certification from each Qualified Entity described in Appendix A to the effect that (i) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, pending or threatened against such Qualified Entity, wherein an unfavorable decision, ruling or finding would in any material respect adversely affect the transactions contemplated by such Qualified Entity's Purchase Agreement and (ii) the information provided to the Bond Bank by such Qualified Entity in connection with its participation in the Program did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

TAX MATTERS

Interest on the Bonds is **not** excludable from gross income for federal income tax purposes. In the opinion of Ice Miller LLP, Bond Counsel, under law existing and in effect on the date of such opinion, interest on the Bonds is exempt from income taxation in the State of Indiana.

The foregoing does not purport to be a comprehensive discussion of the tax consequences of owning the Bonds. Prospective owners of the Bonds should consult their own tax advisors with respect to the foregoing and other tax consequences of owning the Bonds.

LEGAL MATTERS

Certain legal matters incident to the authorization and issuance of the Bonds by the Bond Bank are subject to the approval of Ice Miller LLP, Indianapolis, Indiana, Bond Counsel, whose approving opinion will be delivered with the Bonds. Certain legal matters will be passed upon for the Bond Bank by its counsel, Barnes & Thornburg LLP, Indianapolis, Indiana. Certain legal matters will be passed upon for the Underwriters by their counsel, Mayer, Brown, Rowe & Maw LLP, Chicago, Illinois.

Ice Miller LLP, Indianapolis, Indiana, serves as counsel to Concord Community Schools, Duneland School Corporation, Eastern Pulaski Community School Corporation, Knox Community School Corporation, Madison-Grant United School Corporation, Marion-Adams

Schools, Merrillville Community School Corporation, Monroe County Community School Corporation, Monroe-Gregg School District, MSD of New Durham Township, Mt. Vernon Community School Corporation, North Judson-San Pierre Schools, North Miami Community Schools, Northeast School Corporation, Oregon-Davis School Corporation, Pioneer Regional School Corporation, Portage Township Schools, Smith-Green Community Schools, South Henry School Corporation, South Madison Community School Corporation, Twin Lakes School Corporation, Union Township School Corporation and Whitley County Consolidated Schools in connection with the issuance and sale of their respective Qualified Obligations and will be passing on certain legal matters in connection therewith. Bose McKinney & Evans LLP, Indianapolis, Indiana, serves as counsel to Crothersville Community Schools, MSD of Shakamak, South Central Community School Corporation, South Harrison Community School Corporation, Tri-Creek School Corporation, West Clark Community Schools and White River Valley School Corporation in connection with the issuance and sale of their respective Qualified Obligations and will be passing on certain legal matters in connection therewith. Barnes & Thornburg LLP, Indianapolis, Indiana, serves as counsel to Benton Community School Corporation, Crawford County Community School Corporation and School Town of Munster in connection with the issuance and sale of their respective Qualified Obligations and will be passing on certain legal matters in connection therewith. Baker & Daniels LLP, South Bend, Indiana, serves as counsel to South Bend Community School Corporation in connection with the issuance and sale of its Qualified Obligations and will be passing on certain legal matters in connection therewith. Beers Mallers Backs & Salin LLP, Fort Wayne, Indiana, serves as counsel to Westview School Corporation in connection with the issuance and sale of its Qualified Obligations and will be passing on certain legal matters in connection therewith.

The remedies available to the Trustee, to the Bond Bank or to the owners of the Bonds upon an Event of Default under the Indenture, under the terms of any of the Qualified Obligations purchased by the Bond Bank, under the terms of any Purchase Agreement are in many respects dependent upon judicial actions which are often subject to discretion and delay. Under existing constitutional and statutory law and judicial decisions, including specifically Title 11 of the United States Code (the United States Bankruptcy Code), the remedies provided in the Indenture and under the Qualified Obligations or the Purchase Agreements may not be readily available or may be limited. Under Federal and State environmental laws, certain liens may be imposed on property of the Bond Bank or the Qualified Entities from time to time, but the Bond Bank has no reason to believe, under existing law, that any such lien would have priority over the lien on the payments on the Qualified Obligations pledged to owners of the Bonds under the Indenture or over the lien on the property taxes pledged to the owner of the Qualified Obligations under their respective resolutions. The various legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally (regardless of whether such enforceability is considered in a proceeding in equity or in law), by general principles of equity (regardless of whether such proceeding is considered in a proceeding in equity or at law) and by the valid exercise of the constitutional powers of the Qualified Entities, the State and the United States of America. These exceptions would encompass any exercise of any of the Qualified Entity's police powers in a manner consistent with the public health and welfare. Enforceability of the Indenture, the Qualified Obligations or the Purchase Agreements in situations where such

enforcement may adversely affect public health and welfare may be subject to the police powers of the State or any of the Qualified Entities.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. By rendering a legal opinion, the opinion giver does not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of parties to such transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

RATINGS

Standard & Poor's Ratings Services ("S&P") has assigned a rating of "AA" to the Bonds if they are issued without bond insurance and a rating of "AAA" if they are issued with bond insurance. This rating reflects only the view of S&P. Such rating is not a recommendation to buy, sell or hold the Bonds. There is no assurance that such rating will remain in effect for any given period of time or that such rating will not be lowered or withdrawn entirely by S&P if, in its judgment, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect upon the market price or marketability of the Bonds.

UNDERWRITING

Under a bond purchase contract entered into between the Underwriters listed on the cover page of this Official Statement and the Bond Bank, the Bonds are being purchased by the Underwriters for reoffering at an aggregate purchase price of \$120,758,279.79. The purchase price reflects an aggregate Underwriters' discount of \$911,720.21. The bond purchase contract provides that the Underwriters will purchase all of the Bonds if any are purchased. The obligations of the Bond Bank to deliver the Bonds and of the Underwriters to accept delivery of the Bonds are subject to various conditions contained in the bond purchase contract.

The Underwriters have agreed to make an initial public offering of all of the Bonds at yields not less than the yields set forth on the cover page of this Official Statement.

CONTINUING DISCLOSURE

General

Pursuant to the terms of the Indiana Bond Bank Continuing Disclosure Agreement, the Bond Bank, while the Bonds are outstanding (unless the Bonds are defeased), has agreed to provide to each nationally recognized municipal securities information repository ("NRMSIR"), or to the Municipal Securities Rulemaking Board, and to the Indiana State Information Depository then in existence, if any (the "State Depository"), the following event notices with respect to the Bonds, if material, and in a timely manner:

- 1) principal and interest payment delinquencies;
- 2) non-payment related defaults;
- 3) unscheduled draws on debt service reserves reflecting financial difficulties;
- 4) unscheduled draws on credit enhancements reflecting financial difficulties;

- 5) substitution of credit or liquidity providers, or their failure to perform;
- 6) adverse tax opinions or events affecting the tax-exempt status of the security;
- 7) modifications to rights of security holders;
- 8) bond calls;
- 9) defeasances;
- 10) release, substitution or sale of property securing repayment of the securities; and
- 11) rating changes.

Each Qualified Entity, while the Bonds are outstanding or until its Qualified Obligations are legally defeased, redeemed or paid in full, has agreed to provide to the Bond Bank the preceding event notices with respect to its Qualified Obligations if material, and in a timely manner. The disclosure obligations of the Bond Bank and each of the Qualified Entities are referenced as the “Undertakings.”

Remedy

The purpose of the Undertakings is to enable the Underwriters to purchase the Bonds in satisfaction of Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). The Undertakings are solely for the benefit of the holders and Beneficial Owners of the Bonds. The sole remedy against the Bond Bank or any Qualified Entity for any failure to carry out any provision of the Undertakings will be for specific performance of the Bond Bank’s or such Qualified Entity’s disclosure obligations under the Undertakings. The Trustee may (and, at the request of the holders of at least 25% in aggregate principal amount of Outstanding Bonds, will), or any holder or Beneficial Owner of the Bonds, may seek a mandate or specific performance by court order, to cause the Bond Bank or Qualified Entity to comply with its obligations under the Undertakings. For the purposes of this section only, “Beneficial Owner” means any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding any Bonds through nominees, depositories or other intermediaries) or (b) is treated as the owner of any Bond for federal income tax purposes.

Failure on the part of the Bond Bank or any Qualified Entity to honor its Undertaking will not constitute a breach or default under the Bonds, the Indenture, the Qualified Obligations or any other agreement to which the Bond Bank or the Qualified Entity is a party.

Modification of Undertakings

The Bond Bank, the Trustee and any Qualified Entity may, from time to time, amend any provision of the Undertakings without the consent of the holders or Beneficial Owners of the Bonds if: (a) such amendment (if related to certain provisions of the Undertakings) is made in connection with a change in circumstances that arises from a change in legal requirements, change in law or change in the identity, nature or status of the Bond Bank or any Qualified Entity or type of business conducted, (b) the respective Undertaking, as so amended, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule on the date of execution thereof, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances, and (c) such amendment either (i) is approved by the holders of the Bonds in the same manner as provided in the Indenture for amendments to

the Indenture with the consent of holders or (ii) in the opinion of nationally recognized bond counsel, does not materially impair the interests of the holders or Beneficial Owners of the Bonds.

Copies of the Undertakings are available from the Bond Bank upon request.

Compliance with Previous Undertakings

In the previous five years, the Bond Bank and each of the Qualified Entities have never failed to comply, in all material respects, with any previous undertakings in a written contract or agreement that any of them entered into pursuant to subsection (b)(5) of the Rule.

MISCELLANEOUS

The Bond Bank's offices are located at 2980 Market Tower, 10 West Market Street, Indianapolis, Indiana 46204, telephone (317) 233-0888.

All quotations from, and summaries and explanations of, the Act, the Indenture, and the Purchase Agreements contained in this Official Statement do not purport to be complete and reference is made to each such document or instrument for full and complete statements of its provisions. The attached Appendices are an integral part of this Official Statement and must be read together with all of the foregoing statements. Copies in a reasonable quantity of the Act, the Indenture, the form of Purchase Agreement, and the supplemental materials furnished to the Bond Bank by the Qualified Entities may be obtained upon request directed to the Bond Bank.

It is the Bond Bank's current policy to provide its financial statements to the holders of its obligations, including the Bonds, upon written request. In addition, certain other information concerning the Bond Bank is available to the Trustee and holders of the Bonds pursuant to the Indenture.

Neither any advertisement of the Bonds nor this Official Statement is to be construed as constituting an agreement with the purchasers of the Bonds. So far as any statements are made in this Official Statement involving matters of opinion, whether or not expressly so stated, they are intended merely as such and not as representations of fact.

This Official Statement has been duly approved, executed and delivered by the Bond Bank.

INDIANA BOND BANK

By: /s/ Tim Berry
Chairman Ex Officio

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APPENDIX A

SUMMARY OF INFORMATION REGARDING THE QUALIFIED ENTITIES

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BENTON COMMUNITY SCHOOL CORPORATION

General

Benton Community School Corporation encompasses approximately 472 square miles in Benton, Tippecanoe and Warren Counties, including the Townships of Bolivar, Center, Grant, Hickory Grove, Oak Grove, Parish Grove, Pine, Richland, Union, Otterbein, Shelby, and Prairie. The current population of the School Corporation is approximately 11,759.

The most recent audit by the State Board of Accounts was filed on February 2, 2006 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,965 2004 - 1,978 2005 - 2,022 2006 - 1,985

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$428,247,899	100.40%	\$1.8492	\$7,510,122	\$927,595
2003	708,007,730 ⁽¹⁾	98.45%	1.1355	7,616,983	1,050,094
2004	724,185,435	100.01%	1.1853	7,515,563	852,030
2005	712,763,400	97.30%	1.2609	7,418,329	917,311
2006	704,641,140	- In Process -	1.5798	7,550,000 *	1,534,483 *

* Estimated

(1) Increase due to reassessment.

BENTON COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$4,982,209	\$576,378	\$1,308,867	\$284,687	\$1,779,535	(\$117)	\$294,126
Bank & Excise	464,006	54,911	109,259	24,602	163,325	65	42,796
State Grants	6,984,794	0	0	0	0	73,745	0
Miscellaneous	461,858	13,333	26,850	5,663	334,803	937	1,021
Total	<u>\$12,892,867</u>	<u>\$644,622</u>	<u>\$1,444,976</u>	<u>\$314,952</u>	<u>\$2,277,663</u>	<u>\$74,630</u>	<u>\$337,943</u>
Disbursements	<u>\$12,695,363</u>	<u>\$917,311</u>	<u>\$1,295,211</u>	<u>\$350,000</u>	<u>\$1,795,590</u>	<u>\$98,694</u>	<u>\$322,197</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$5,123,288	\$2,004,906	\$1,389,504	\$539,826	\$1,964,562	\$13,511	\$140,224
Bank & Excise	377,789	147,841	102,461	39,807	144,866	997	10,341
State Grants	6,892,564	0	0	0	0	62,907	0
Miscellaneous	<u>269,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$12,662,641</u>	<u>\$2,152,747</u>	<u>\$1,491,965</u>	<u>\$579,633</u>	<u>\$2,109,428</u>	<u>\$77,415</u>	<u>\$150,565</u>
Disbursements	<u>\$13,118,667</u>	<u>\$1,244,000</u>	<u>\$1,793,500</u>	<u>\$362,500</u>	<u>\$2,113,985</u>	<u>\$130,000</u>	<u>\$165,483</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$648,334	\$490,891	\$590,440	\$62,496	\$790,509	\$73,303	\$2,441,695	\$5,097,668
2003	822,231	357,805	677,040	47,487	804,832	68,747	2,209,054	4,987,196
2004	1,272,894	433,453	829,153	98,181	467,779	111,115	2,187,093	5,399,668
2005	1,470,398	160,764	978,918	63,133	949,852	87,051	5,712,394	9,422,510

BENTON COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	\$1,740,000
	- This Issue	\$945,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$26,795,000</u>
Total School Corporation Indebtedness		<u>\$29,480,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		16.02%
Total School Corporation Indebtedness Per Capita		\$2,507.02

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Pentacor LP	Manufacturing	\$1,747,550	0.250%
Jefferson Smurfit Corp	Paper Products	1,500,810	0.210%
Drug Plastic & Glass	Bottles	1,333,330	0.190%
Jaco LLC	Vehicle Lighting	1,222,300	0.170%
Vrebahoff Dairy LLC	Agriculture	1,211,900	0.170%
Archer Daniels Midland	Agriculture	1,188,400	0.170%
Dow/Elanco	Agriculture	1,164,600	0.160%
Staley Grain	Grain Processing	1,149,000	0.160%
Stone Container Corp	Shipping Materials	1,052,420	0.150%
Robinson Family Ent.	Trust	1,050,320	0.150%

CONCORD COMMUNITY SCHOOLS

General

Concord Community Schools encompasses approximately 27 square miles in Elkhart County, including the Township of Concord. The current population of the School Corporation is approximately 69,084.

The most recent audit by the State Board of Accounts was filed on November 1, 2004 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 4,422 2004 - 4,447 2005 - 4,499 2006 - 4,731

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$851,480,350	99.36%	\$1.8333	\$14,435,730	\$5,942,415
2003	1,160,636,180 ⁽¹⁾	97.57%	1.4900	15,146,437	6,513,521
2004	1,166,691,740	105.19%	1.5935	15,381,001	6,652,570
2005	1,214,832,040	101.08%	1.6345	15,753,398	6,713,113
2006	1,255,406,330	- In Process -	1.5433	16,109,840 *	5,989,232 *

* Estimated

(1) Increase due to reassessment.

CONCORD COMMUNITY SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$7,944,103	\$6,243,427	\$1,446,371	\$380,098	\$4,051,900	\$30,107	\$389,804
Bank & Excise	696,806	547,172	126,760	33,311	355,107	2,638	35,181
State Grants	15,457,247	0	0	0	0	149,834	0
Miscellaneous	<u>750,605</u>	<u>0</u>	<u>16,229</u>	<u>0</u>	<u>4,390</u>	<u>0</u>	<u>0</u>
Total	<u>\$24,848,761</u>	<u>\$6,790,599</u>	<u>\$1,589,360</u>	<u>\$413,409</u>	<u>\$4,411,397</u>	<u>\$182,579</u>	<u>\$424,985</u>
Disbursements	<u>\$24,557,528</u>	<u>\$6,490,960</u>	<u>\$1,609,324</u>	<u>\$403,910</u>	<u>\$4,913,366</u>	<u>\$218,549</u>	<u>\$455,418</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$7,369,983	\$5,949,768	\$1,514,201	\$398,131	\$4,464,284	\$31,329	\$402,985
Bank & Excise	604,107	485,271	123,500	32,472	364,114	2,555	0
State Grants	16,007,102	0	0	0	0	100,615	0
Miscellaneous	<u>543,534</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>33,376</u>
Total	<u>\$24,524,726</u>	<u>\$6,435,039</u>	<u>\$1,637,701</u>	<u>\$430,603</u>	<u>\$4,828,398</u>	<u>\$134,499</u>	<u>\$436,361</u>
Disbursements	<u>\$25,600,000</u>	<u>\$5,882,237</u>	<u>\$1,800,000</u>	<u>\$433,023</u>	<u>\$4,923,957</u>	<u>\$143,158</u>	<u>\$438,237</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	<u>Total</u>
2002	\$212,437	\$410,007	\$275,035	\$76,070	\$1,495,950	\$36,813	\$3,491,330	\$5,997,642
2003	4,636,113	(937,566)	434,092	(32,046)	1,001,183	187,799	3,718,142	9,007,717
2004	1,093,884	763,444	363,388	16,513	1,472,949	57,305	4,161,830	7,929,313
2005	1,158,513	515,767	516,023	10,536	825,665	19,884	4,613,787	7,660,175

CONCORD COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$2,010,000
- This Issue	\$3,300,000
Veterans and Common School Loans	-
Lease Obligations	<u>\$46,295,000</u>
Total School Corporation Indebtedness	<u>\$51,605,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	4.11%
Total School Corporation Indebtedness Per Capita	\$746.99

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Edward Rose of Indiana	Apartment complexes	\$34,577,900	2.850%
Meijer Stores, Ltd.	Retail store	20,801,820	1.710%
Concord Mall Properties	Shopping mall	18,793,800	1.550%
E. R. Carpenter Co., Inc.	Mfr. Foam products	19,106,230	1.570%
HK New Plan ERP Property	Shopping center	18,191,400	1.500%
Pedcor Investments	Apartment complexes	16,305,800	1.340%
Four Winds Intl. Corportion	Mfr. recreational vehicles	15,820,840	1.300%
Gunit Corporation	Mfr. Wheels, brakes drums, etc.	13,284,380	1.090%
Geenen Dekock Properties	Commercial real estate	12,377,100	1.020%
Godfrey Conveyor	Mfr. RV & fishing boats	11,780,220	0.970%

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION

General

Crawford County Community School Corporation encompasses approximately 305.7 square miles in Crawford County, including the Townships of Boone, Jennings, Johnson, Liberty, Ohio, Patoka, Sterling, Union and Whiskey Run. The current population of the School Corporation is approximately 10,743.

The most recent audit by the State Board of Accounts was filed on February 16, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,851 2004 - 1,738 2005 - 1,818 2006 - 1,809

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$186,769,625	99.70%	\$1.9749	\$8,345,641	\$1,492,270
2003	258,081,090 ⁽¹⁾	100.10%	1.4614	8,896,455	1,556,491
2004	244,396,975	95.62%	1.7241	8,733,629	1,523,192
2005	244,641,016	98.75%	1.9185	8,896,455	1,584,011
2006	248,863,450	- In Process -	1.9560	8,952,457 *	1,578,326 *

* Estimated

(1) Increase due to reassessment.

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Pre-School</u>
Receipts:						
Property Taxes	\$2,602,644	\$1,595,611	\$1,331,556	\$0	\$1,229,901	\$8,100
Bank & Excise	302,934	182,613	155,398	0	142,500	939
State Grants	9,053,013	0	0	0	0	51,454
Miscellaneous	32,238	300,808	615	0	1,389,940	60,694
Total	<u>\$11,990,829</u>	<u>\$2,079,032</u>	<u>\$1,487,569</u>	<u>\$0</u>	<u>\$2,762,341</u>	<u>\$121,187</u>
Disbursements	<u>\$11,161,542</u>	<u>\$1,584,011</u>	<u>\$1,096,164</u>	<u>\$0</u>	<u>\$831,796</u>	<u>\$59,790</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Pre-School</u>
Receipts:						
Property Taxes	\$1,710,272	\$1,088,540	\$1,068,662	\$137,102	\$1,034,578	\$6,199
Bank & Excise	172,395	134,739	96,956	12,950	94,772	639
State Grants	9,007,373	0	0	0	0	30,524
Miscellaneous	<u>805,278</u>	<u>632,728</u>	<u>546,360</u>	<u>0</u>	<u>439,926</u>	<u>2,910</u>
Total	<u>\$11,695,318</u>	<u>\$1,856,007</u>	<u>\$1,711,978</u>	<u>\$150,052</u>	<u>\$1,569,276</u>	<u>\$40,272</u>
Disbursements	<u>\$12,419,958</u>	<u>\$1,578,326</u>	<u>\$1,440,021</u>	<u>\$120,000</u>	<u>\$1,125,523</u>	<u>\$37,300</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Pre-School</u>	All Other	Total
2002	\$496,782	\$987,336	\$356,111	\$5,612	\$759,298	\$50,608	\$881,130	\$3,536,877
2003	135,454	550,830	(81,542)	6,325	232,928	0	103,291	947,286
2004	2,527,896	(286,350)	(598,590)	6,325	(567,132)	(410)	99,818	1,181,557
2005	972,706	211,720	(207,184)	6,325	(8,988)	293	464,064	1,438,936

CRAWFORD COUNTY COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$4,350,000
Veterans and Common School Loans		\$5,889,004
Lease Obligations		<u>\$11,850,000</u>
Total School Corporation Indebtedness		<u>\$22,089,004</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		8.88%
Total School Corporation Indebtedness Per Capita		\$2,056.13

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Jasper Engines	Remanufacture	\$9,526,300	3.890%
The Wildridge Associates	RV Park-Leasing	1,716,700	0.700%
Indiana Health & Rehab	Rehabilitation	955,100	0.390%
English State Bank	Banking Institution	946,600	0.390%
Allen, Lester	Retail	910,800	0.370%
Carefree Inn - Days Inn	Motel / Restaurant	853,400	0.350%
Marengo LLC	Warehousing	849,600	0.350%
Mulzer Crushed Stone	Quarry	703,200	0.290%
Weber, Emil & Co.	Retail	695,700	0.280%
Hudson Foods Inc.	Food Processing	583,300	0.240%

CROTHERSVILLE COMMUNITY SCHOOLS

General

Crothersville Community Schools encompasses approximately 50 square miles in Jackson County, including the Township of Vernon. The current population of the School Corporation is approximately 3,439.

The most recent audit by the State Board of Accounts was filed on June 22, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 606 2004 - 593 2005 - 588 2006 - 586

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$87,450,590	98.70%	\$1.9979	\$2,134,224	\$662,000
2003	139,041,890 ⁽¹⁾	100.40%	1.4418	2,159,981	662,000
2004	127,311,310	100.00%	1.7182	2,579,350	662,000
2005	122,555,680	99.50%	1.8638	2,084,840	662,000
2006	124,991,320	- In Process -	1.9397	2,519,550 *	662,000

* Estimated

(1) Increase due to reassessment.

CROTHERSVILLE COMMUNITY SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,309,560	\$609,915	\$226,562	\$38,404	\$469,737	\$2,640	\$0
Bank & Excise	114,076	57,103	17,139	1,012	25,585	344	0
State Grants	2,084,840	0	0	0	0	0	0
Miscellaneous	<u>1,143,086</u>	<u>3,574</u>	<u>31,073</u>	<u>0</u>	<u>1,601</u>	<u>22</u>	<u>0</u>
Total	<u>\$4,651,562</u>	<u>\$670,592</u>	<u>\$274,774</u>	<u>\$39,416</u>	<u>\$496,923</u>	<u>\$3,006</u>	<u>\$0</u>
Disbursements	<u>\$4,057,794</u>	<u>\$722,000</u>	<u>\$280,000</u>	<u>\$120,000</u>	<u>\$537,716</u>	<u>\$25,000</u>	<u>\$0</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,117,708	\$650,035	\$160,425	\$39,708	\$313,620	\$2,696	\$0
Bank & Excise	103,444	70,542	16,592	6,794	38,712	302	0
State Grants	2,519,550	0	0	0	0	0	0
Miscellaneous	<u>7,620</u>	<u>4,432</u>	<u>1,092</u>	<u>270</u>	<u>2,138</u>	<u>18</u>	<u>0</u>
Total	<u>\$3,748,322</u>	<u>\$725,009</u>	<u>\$178,109</u>	<u>\$46,772</u>	<u>\$354,470</u>	<u>\$3,016</u>	<u>\$0</u>
Disbursements	<u>\$4,606,100</u>	<u>\$729,832</u>	<u>\$270,000</u>	<u>\$200,000</u>	<u>\$716,926</u>	<u>\$8,000</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$727,687	\$338,994	\$112,892	\$80,526	\$155,802	\$125,104	\$1,458,463	\$2,999,468
2003	300,722	377,119	48,536	21,221	8,728	144,225	146,883	1,047,434
2004	718,274	237,976	24,451	21,441	9,548	165,865	236,074	1,413,629
2005	877,666	364,811	5,641	111,213	314,509	184,275	299,334	2,157,449

CROTHERSVILLE COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$2,400,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$9,045,000</u>
Total School Corporation Indebtedness		<u>\$11,445,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		9.34%
Total School Corporation Indebtedness Per Capita		\$3,328.00

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Aisin USA	Mfg auto components	\$19,188,210	15.400%
Cerro Wire and Cable	Mfg wire components	7,559,110	6.000%
Earl W. Murray	Farmer	2,069,120	1.700%
Village Apartments	Apartment complex	1,319,800	1.100%
Swifty Farms, Inc.	Farming	1,072,280	0.900%
Insight Communications	Cable company	906,690	0.700%
Verizon North	Utility	724,270	0.600%
Jackson-Jennings Co-Op	Farm Bureau Co-Op	717,820	0.600%
Pro Form Plastics	Mfg Vacuum form plastic	671,619	0.500%
Cinergy	Utility	671,030	0.500%

DUNELAND SCHOOL CORPORATION

General

Duneland School Corporation encompasses approximately 91 square miles in northern Porter County, including the Townships of Jackson, Liberty and Westchester. The current population of the School Corporation is approximately 31,955.

The most recent audit by the State Board of Accounts was filed on December 13, 2004 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 5,450 2004 - 5,528 2005 - 5,453 2006 - 5,562

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$2,007,906,141	72.05% [1]	\$2.1271	\$11,445,748	\$3,965,953
2003	1,949,501,836	99.76%	1.3417	24,835,294	6,175,494
2004	1,941,752,001	96.16%	1.3085	25,120,003	8,151,707
2005	2,331,628,596	96.31%	1.3286	23,527,319	8,153,693
2006	2,465,089,561	- In Process -	1.4901	22,978,688 *	8,154,853 *

*Estimated

[1] Tax collections for 2002 were impacted by the bankruptcy filing of Bethlehem Steel, a major taxpayer within the district. ISG Steel, the successor to Bethlehem Steel returned to the tax rolls in the 2002 payable 2003 tax collection cycle.

DUNELAND SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$15,302,784	\$5,018,176	\$2,647,089	\$430,736	\$5,087,831	\$56,033	\$1,251,765
Bank & Excise	1,329,742	435,774	229,874	37,405	441,825	4,862	108,699
State Grants	13,961,208	0	0	0	0	71,393	0
Miscellaneous	<u>4,707,986</u>	<u>0</u>	<u>48,520</u>	<u>0</u>	<u>22,393</u>	<u>0</u>	<u>500,000</u>
Total	<u>\$35,301,720</u>	<u>\$5,453,950</u>	<u>\$2,925,483</u>	<u>\$468,141</u>	<u>\$5,552,049</u>	<u>\$132,288</u>	<u>\$1,860,464</u>
Disbursements	<u>\$34,536,352</u>	<u>\$7,481,208</u>	<u>\$2,790,510</u>	<u>\$530,646</u>	<u>\$6,255,443</u>	<u>\$188,433</u>	<u>\$1,718,223</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$17,568,693	\$6,835,693	\$2,876,760	\$564,506	\$7,745,311	\$61,627	\$1,079,709
Bank & Excise	1,055,133	410,536	172,771	33,903	465,134	3,701	0
State Grants	12,105,912	0	0	0	0	31,873	0
Miscellaneous	<u>1,065,185</u>	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>64,845</u>
Total	<u>\$31,794,923</u>	<u>\$7,246,229</u>	<u>\$3,084,531</u>	<u>\$598,409</u>	<u>\$8,210,445</u>	<u>\$97,201</u>	<u>\$1,144,554</u>
Disbursements	<u>\$37,558,120</u>	<u>\$7,200,751</u>	<u>\$3,161,700</u>	<u>\$579,114</u>	<u>\$8,173,985</u>	<u>\$120,000</u>	<u>\$1,217,408</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$6,541,066	\$4,747,987	\$383,331	\$104,337	\$2,892,375	\$28,877	\$1,265,349	\$15,963,322
2003	21,221,907	5,443,218	303,225	141,708	4,191,777	79,059	1,696,114	33,077,008
2004	9,991,707	5,326,395	2,748,781	928,953	75,108	236,076	6,632,594	25,939,614
2005	10,606,281	3,287,225	1,063,926	173,571	1,930,543	40,374	217,350	17,319,270

DUNELAND SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	\$7,665,000
	- This Issue	\$6,125,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$75,056,150</u>
Total School Corporation Indebtedness		<u>\$88,846,150</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		3.58%
Total School Corporation Indebtedness Per Capita		\$2,780.35

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
ISG	Steel mill	\$355,655,540	15.250%
NiSource	Gas & electric utility	117,070,420	5.020%
Praxair, Inc.	Mfr. Industrial gasses	21,041,810	0.900%
Worthington Steel Company	Steel processor	19,500,400	0.840%
Lake Erie Land Company	Real estate	14,286,090	0.610%
Verizon	Telephone utility	13,638,800	0.580%
Ryerson	Steel processor	12,435,130	0.530%
Bulk Transportation Corp.	Trucking company	9,125,870	0.390%
Indiana-American Water Co.	Water utility	8,823,650	0.370%
Lake Shore Ford Mercury Inc.	Automobile dealership	7,556,060	0.320%

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION

General

Eastern Pulaski Community School Corporation encompasses approximately 217 square miles in eastern Pulaski County, including the Townships of Franklin, Harrison, Indian Creek, Monroe, Van Buren, as well as parts of Jefferson and Beaver. The current population of the School Corporation is approximately 7,677.

The most recent audit by the State Board of Accounts was filed on November 3, 2005 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,412 2004 - 1,411 2005 - 1,385 2006 - 1,353

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$275,710,568	101.30%	\$1.7542	\$4,517,690	\$880,000
2003	401,492,414 ⁽¹⁾	99.14%	1.3597	4,942,371	880,000
2004	370,538,511	101.55%	1.5188	5,094,863	880,000
2005	373,403,930	101.73%	1.3601	5,298,458	880,000
2006	362,859,800	- In Process -	1.4038	5,250,000 *	880,000

* Estimated

(1) Increase due to reassessment.

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,788,501	\$788,135	\$641,845	\$5,631	\$948,674	\$8,378	\$0
Bank & Excise	314,499	88,884	72,040	1,075	106,587	966	0
State Grants	5,219,036	0	0	0	0	30,285	0
Miscellaneous	<u>261,295</u>	<u>11,879</u>	<u>39,410</u>	<u>0</u>	<u>164,149</u>	<u>127</u>	<u>0</u>
Total	<u>\$8,583,331</u>	<u>\$888,898</u>	<u>\$753,295</u>	<u>\$6,706</u>	<u>\$1,219,410</u>	<u>\$39,756</u>	<u>\$0</u>
Disbursements	<u>\$8,410,183</u>	<u>\$880,000</u>	<u>\$561,463</u>	<u>\$181,836</u>	<u>\$1,989,675</u>	<u>\$31,426</u>	<u>\$0</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,528,664	\$916,784	\$671,527	\$0	\$967,911	\$7,983	\$0
Bank & Excise	272,429	98,771	72,347	0	104,279	988	0
State Grants	5,546,348	0	0	0	0	0	0
Miscellaneous	<u>112,891</u>	<u>11,879</u>	<u>13,686</u>	<u>0</u>	<u>84,291</u>	<u>0</u>	<u>0</u>
Total	<u>\$8,460,332</u>	<u>\$1,027,434</u>	<u>\$757,560</u>	<u>\$0</u>	<u>\$1,156,481</u>	<u>\$8,971</u>	<u>\$0</u>
Disbursements	<u>\$10,381,515</u>	<u>\$922,000</u>	<u>\$875,150</u>	<u>\$183,000</u>	<u>\$850,500</u>	<u>\$45,542</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$2,380,695	\$104,340	\$169,413	\$263,350	\$2,829,124	\$41,618	\$102,471	\$5,891,011
2003	2,693,095	88,878	326,368	363,186	3,596,580	48,558	100,859	7,217,524
2004	2,887,750	76,031	479,320	636,504	4,194,784	67,910	2,376,837	10,719,136
2005	3,060,897	84,929	678,734	461,375	3,424,519	56,213	2,419,180	10,185,847

EASTERN PULASKI COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	-
- This Issue	\$2,940,000
Veterans and Common School Loans	-
Lease Obligations	<u>\$5,705,000</u>
Total School Corporation Indebtedness	<u>\$8,645,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	2.38%
Total School Corporation Indebtedness Per Capita	\$1,126.09

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Plymouth Tube Co.	Metal Tube Manufacturing	\$10,867,051	2.990%
Ralph & Linda Braun	Individuals	9,026,100	2.490%
The Braun Corporation	Conversion Vans	4,954,553	1.370%
NiSource	Utility	4,798,740	1.320%
Braun Land Developers	Real Estate Sales	3,782,600	1.040%
DDSV, Inc.	Family Holding Corp.	3,515,659	0.970%
United Telephone Co.	Utility	2,573,570	0.710%
A.L. Perry	Real Estate	2,222,500	0.610%
Hamstra Enterprises	Construction and Rentals	1,521,000	0.420%
Riverwood Commons	Senior Housing	1,060,490	0.290%

KNOX COMMUNITY SCHOOL CORPORATION

General

Knox Community School Corporation encompasses approximately 106 square miles in Starke County, including the Townships of Center, Washington, and California. The current population of the School Corporation is approximately 11,180.

The most recent audit by the State Board of Accounts was filed on December 2, 2004 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 2,005 2004 - 1,996 2005 - 2,008 2006 - 2,001

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$260,344,375	97.51%	\$2.0695	\$9,035,756	\$1,875,992
2003	409,024,450 ^[1]	52.49% ^[2]	1.4337	9,589,252	1,910,231
2004	388,199,925	148.54%	1.4143	9,425,689	1,930,341
2005	400,717,725	97.42%	1.6768	9,109,207	1,963,609
2006	348,876,550	- In Process -	1.6992	9,202,426 *	2,079,011 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

KNOX COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,487,864	\$2,071,375	\$644,735	\$144,410	\$1,189,341	\$8,202	\$0
Bank & Excise	229,004	190,501	59,298	13,289	109,402	754	0
State Grants	9,054,625	0	0	0	0	46,585	0
Miscellaneous	<u>415,357</u>	<u>53,679</u>	<u>70,211</u>	<u>19,012</u>	<u>68,417</u>	<u>213</u>	<u>0</u>
Total	<u>\$12,186,850</u>	<u>\$2,315,555</u>	<u>\$774,244</u>	<u>\$176,711</u>	<u>\$1,367,160</u>	<u>\$55,754</u>	<u>\$0</u>
Disbursements	<u>\$11,765,645</u>	<u>\$2,239,973</u>	<u>\$710,877</u>	<u>\$178,324</u>	<u>\$1,169,104</u>	<u>\$72,438</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,386,414	\$2,026,858	\$643,332	\$168,422	\$1,104,146	\$7,589	\$0
Bank & Excise	206,816	191,327	60,728	15,898	104,227	717	0
State Grants	9,179,851	0	0	0	0	22,575	0
Miscellaneous	<u>94,275</u>	<u>0</u>	<u>50,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$11,867,356</u>	<u>\$2,218,185</u>	<u>\$754,060</u>	<u>\$184,320</u>	<u>\$1,208,373</u>	<u>\$30,881</u>	<u>\$0</u>
Disbursements	<u>\$12,226,804</u>	<u>\$2,234,902</u>	<u>\$756,944</u>	<u>\$209,550</u>	<u>\$1,315,735</u>	<u>\$47,016</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$312,564	\$69,200	\$78,859	\$182,415	\$1,015,089	\$54,612	\$911,338	\$2,624,077
2003	798,857	(759,253)	(100,369)	85,990	223,689	46,238	414,810	709,962
2004	761,550	152,098	128,329	47,684	588,057	32,685	463,215	2,173,618
2005	1,182,754	227,679	191,696	46,071	786,113	16,001	908,642	3,358,956

KNOX COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$3,200,000
Veterans and Common School Loans		\$734,250
Lease Obligations		<u>\$8,927,709</u>
Total School Corporation Indebtedness		<u>\$12,861,959</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		3.69%
Total School Corporation Indebtedness Per Capita		\$1,150.44

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Bailey's Discount	Retail Discount Store	\$4,502,900	1.290%
MPI International	Metal Stamping Mfg.	4,316,900	1.240%
Stelrema	Plastic Injection Molding	2,106,400	0.600%
Rockwell Window Co.	Window & Door Mfg.	1,848,200	0.530%
J.W. Hicks	Metal Stamping Mfg.	1,666,200	0.480%
Daulbert	Metal Stamping Mfg.	1,547,100	0.440%
Knox Fertilizer	Fertilizer Mfg.	1,410,000	0.400%
WLS of Knox LLC	Shopping Mall	932,801	0.270%
Ed Ebner	Retail Discount Store	925,700	0.270%
Starke Co. Farm Bureau	Agriculture Coop	693,800	0.200%

MADISON-GRANT UNITED SCHOOL CORPORATION

General

Madison-Grant United School Corporation encompasses approximately 182 square miles in Madison and Grant Counties, including the Townships of Van Buren, Duck Creek, Boone, Greene, Liberty, and Fairmount. The current population of the School Corporation is approximately 8,885.

The most recent audit by the State Board of Accounts was filed on January 28, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005. The audit report should be filed sometime prior to June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,620 2004 - 1,596 2005 - 1,603 2006 - 1,565

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$206,052,850	100.73%	\$1.7296	\$6,240,371	\$657,688
2003	353,120,275 ⁽¹⁾	99.00%	1.1136	6,447,931	670,687
2004	347,984,065	93.50%	1.2619	6,331,208	1,012,937
2005	340,653,268	105.84%	1.3806	6,339,468	1,069,511
2006	330,262,335*	- In Process -	1.9970	6,133,000 *	1,060,000 *

* Estimated

(1) Increase due to reassessment.

MADISON-GRANT UNITED SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$3,915,581	\$1,759,819	\$965,747	\$231,471	\$1,313,686	\$11,322	\$0
Bank & Excise	530,292	234,544	129,794	31,122	184,219	1,783	0
State Grants	6,260,254	0	0	0	0	0	0
Miscellaneous	<u>1,896,546</u>	<u>448,943</u>	<u>326,294</u>	<u>0</u>	<u>283,615</u>	<u>3,351</u>	<u>0</u>
Total	<u>\$12,602,673</u>	<u>\$2,443,306</u>	<u>\$1,421,835</u>	<u>\$262,593</u>	<u>\$1,781,520</u>	<u>\$16,456</u>	<u>\$0</u>
Disbursements	<u>\$11,337,205</u>	<u>\$2,267,159</u>	<u>\$1,211,873</u>	<u>\$199,567</u>	<u>\$1,371,033</u>	<u>\$48,715</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Fund</u>	Retirement / Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,480,477	\$1,173,944	\$634,158	\$135,937	\$1,008,500	\$8,591	\$0
Bank & Excise	297,302	89,747	72,194	18,928	89,545	843	0
State Grants	6,045,000	0	0	0	0	20,000	0
Miscellaneous	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>750</u>	<u>49,000</u>	<u>0</u>
Total	<u>\$8,842,779</u>	<u>\$1,263,691</u>	<u>\$706,352</u>	<u>\$154,865</u>	<u>\$1,098,795</u>	<u>\$78,434</u>	<u>\$0</u>
Disbursements	<u>\$9,713,000</u>	<u>\$1,120,935</u>	<u>\$727,415</u>	<u>\$145,000</u>	<u>\$1,184,784</u>	<u>\$78,434</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	All <u>Other</u>	<u>Total</u>
2002	1,096,821	\$96,375	\$45,021	\$107,052	\$264,626	\$95	\$939,402	\$2,549,392
2003	1,364,354	38,984	80,863	19,808	443,811	3,677	1,392,501	3,343,998
2004	840,160	0	31,888	20,540	240,445	0	513,663	1,646,696
2005	2,105,627	176,146	241,849	83,566	614,932	0	376,398	3,598,518

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$3,155,000
Veterans and Common School Loans		\$75,000
Lease Obligations		<u>\$8,155,000</u>
Total School Corporation Indebtedness		<u>\$11,385,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		3.34%
Total School Corporation Indebtedness Per Capita		\$7,102.31

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Pan Handle Eastern	Gas Pipeline	\$3,288,150	0.970%
Irving Brothers	Manufacturer	2,569,560	0.750%
American Electric Power	Utility	1,716,180	0.500%
R&R Engineering	Manufacturer	1,495,140	0.440%
S&S Fire Apparatus	Fire Safety Equip Manu	1,401,990	0.410%
Vectren	Gas Utility	881,340	0.260%
Frontier Communication	Utility	863,550	0.250%
J&J Acquisitions	Manufacturer	823,140	0.240%
Ag One Co Op	Agriculture	760,440	0.220%

MARION-ADAMS SCHOOLS

General

Marion-Adams Schools encompasses approximately 84 square miles in Hamilton and Boone County, including the Townships of Adams and Marion. The current population of the School Corporation is approximately 6,251.

The most recent audit by the State Board of Accounts was filed on January 9, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005. The audit report should be filed sometime prior to June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,142 2004 - 1,112 2005 - 1,110 2006 - 1,112

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$158,528,723	101.30%	\$1.7312	\$4,517,690	\$680,532
2003	287,505,782 ⁽¹⁾	93.42%	1.1103	4,610,912	537,421
2004	282,383,463	98.00%	1.3352	4,564,879	465,117
2005	284,147,852	101.66%	1.3071	4,383,221	420,240
2006	274,913,258	- In Process -	1.4155	4,400,000 *	528,223 *

* Estimated

(1) Increase due to reassessment.

MARION-ADAMS SCHOOLS (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,968,895	\$422,323	\$489,918	\$122,191	\$710,612	\$5,200	\$51,129
Bank & Excise	297,967	63,735	73,935	18,441	107,242	785	7,717
State Grants	4,262,212	0	0	0	0	47,328	0
Miscellaneous	<u>133,017</u>	<u>0</u>	<u>4,253</u>	<u>34,397</u>	<u>530</u>	<u>0</u>	<u>0</u>
Total	<u>\$6,662,091</u>	<u>\$486,058</u>	<u>\$568,106</u>	<u>\$175,029</u>	<u>\$818,384</u>	<u>\$53,313</u>	<u>\$58,846</u>
Disbursements	<u>\$6,654,416</u>	<u>\$0</u>	<u>\$598,342</u>	<u>\$225,620</u>	<u>\$775,033</u>	<u>\$89,361</u>	<u>\$57,178</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,904,324	\$480,823	\$519,586	\$198,763	\$731,819	\$4,948	\$51,134
Bank & Excise	266,773	67,358	72,788	27,844	102,882	696	7,124
State Grants	4,202,834	0	0	0	0	17,327	0
Miscellaneous	<u>54,247</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$6,428,178</u>	<u>\$548,181</u>	<u>\$592,374</u>	<u>\$226,607</u>	<u>\$834,701</u>	<u>\$22,971</u>	<u>\$58,258</u>
Disbursements	<u>\$6,723,966</u>	<u>\$528,223</u>	<u>\$589,584</u>	<u>\$155,120</u>	<u>\$864,191</u>	<u>\$74,538</u>	<u>\$55,422</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$6,481	\$253,021	\$47,827	\$56,417	\$189,013	\$27,352	\$102,471	\$682,582
2003	478,423	42,100	50,826	397	364,351	9,956	100,859	1,046,912
2004	617,235	193,661	95,083	73,463	326,670	93,006	243,197	1,642,315
2005	624,910	252,581	64,847	22,870	370,020	56,958	489,386	1,881,572

MARION-ADAMS SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$1,870,000
- This Issue	\$475,000
Veterans and Common School Loans	\$1,966,454
Lease Obligations	-
Total School Corporation Indebtedness	<u>\$4,311,454</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	1.57%
Total School Corporation Indebtedness Per Capita	\$689.72

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Cinergy	Utility	\$7,597,790	2.670%
Biddle Precision	Hydraulic parts	7,343,910	2.580%
United Feeds	Livestock Feed	2,878,910	1.010%
Newport, Mark & Beth	Agriculture	1,450,400	0.510%
AT&T	Utility	1,379,960	0.490%
FCSCD Properties	Property Management	1,327,800	0.470%
Walt Companies	Property Management	1,291,430	0.450%
R&B Developers	Land Development	1,244,200	0.440%
Gas America Services	Gas Stations	1,142,710	0.400%
Building Materials, Inc.	Construction Materials	1,099,170	0.390%

MERRILLVILLE COMMUNITY SCHOOL CORPORATION

General

Merrillville Community School Corporation encompasses approximately 49 square miles in Lake County, including the Township of Ross. The current population of the School Corporation is approximately 38,685.

The most recent audit by the State Board of Accounts was filed on January 5, 2006 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 6,528 2004 - 6,763 2005 - 6,984 2006 - 7,100

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$1,226,689,850	98.20%	\$2.4991	\$16,992,749	\$8,295,697
2003	2,225,748,367 ⁽¹⁾	98.60%	1.4924	17,949,350	9,931,117
2004	2,313,485,813	98.17%	1.4614	17,555,914	10,286,580
2005	2,422,241,487	96.97%	1.5234	18,445,208	13,769,519
2006	2,468,711,377	- In Process -	1.6231	19,366,495 *	14,880,993 *

* Estimated

(1) Increase due to reassessment.

MERRILLVILLE COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General Fund	Debt Service Fund	Transportation Fund	Bus Replacement Fund	Capital Projects Fund	Special Ed. Pre-School	Retirement/ Severance Fund
Receipts:							
Property Taxes	\$25,134,160	\$18,125,393	\$5,151,487	\$928,053	\$7,206,540	\$72,987	\$1,221,614
Bank & Excise	1,278,420	891,689	259,561	45,494	342,545	3,657	64,781
State Grants	18,370,231	0	0	0	0	74,977	0
Miscellaneous	<u>21,911,125</u>	<u>9,153,226</u>	<u>3,192,650</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,396,115</u>
Total	<u>\$66,693,936</u>	<u>\$28,170,308</u>	<u>\$8,603,698</u>	<u>\$973,547</u>	<u>\$7,549,085</u>	<u>\$151,621</u>	<u>\$2,682,510</u>
Disbursements	<u>\$59,330,038</u>	<u>\$26,104,642</u>	<u>\$7,465,240</u>	<u>\$46,970</u>	<u>\$6,896,340</u>	<u>\$150,821</u>	<u>\$1,382,801</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$16,481,117	\$13,145,888	\$3,730,223	\$597,428	\$5,285,511	\$46,906	\$782,582
Bank & Excise	1,030,840	822,232	233,313	37,366	330,591	2,934	48,947
State Grants	19,341,901	0	0	0	0	24,594	0
Miscellaneous	<u>731,823</u>	<u>0</u>	<u>73,832</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$37,585,681</u>	<u>\$13,968,120</u>	<u>\$4,037,368</u>	<u>\$634,794</u>	<u>\$5,616,102</u>	<u>\$74,434</u>	<u>\$831,529</u>
Disbursements	<u>\$36,995,052</u>	<u>\$13,967,248</u>	<u>\$4,049,900</u>	<u>\$609,130</u>	<u>\$5,871,508</u>	<u>\$136,078</u>	<u>\$791,451</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	All <u>Other</u>	<u>Total</u>
2002	\$2,355,440	\$0	\$84,184	\$57,488	\$5,201,071	\$29,900	\$9,187,158	\$16,915,241
2003	3,109,788	792,551	274,104	396,657	4,752,525	14,139	7,885,506	17,225,270
2004	(3,810,708)	9,217,614	(1,245,919)	(369,687)	703,673	41,478	7,458,885	11,995,336
2005	3,553,190	11,283,280	(107,460)	556,890	1,356,368	42,278	13,350,095	30,034,641

MERRILLVILLE COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$6,565,000
- This Issue	\$4,965,000
Veterans and Common School Loans	\$1,256,250
Lease Obligations	<u>\$112,020,022</u>
Total School Corporation Indebtedness	<u>\$124,806,272</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	5.06%
Total School Corporation Indebtedness Per Capita	\$3,226.22

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Whiteco Industries	Signs, emblems and labels	\$36,808,700	1.490%
I-65 Joint Venture	Shopping Ctr	20,831,500	0.840%
Wal-Mart	Retail	14,779,300	0.600%
Century Mall Company	Shopping center real estate	10,843,100	0.440%
Sears	Retail	9,719,100	0.390%
Southlake Properties	Commercial Real Estate	7,009,600	0.280%
Chase Bank	Real Estate	5,751,300	0.230%
Starres LLC	Real Estate	3,690,400	0.150%
Panel Processing of Indiana	Hardboard, particle board and pegboard	2,514,300	0.100%
Northwest Indiana Water Co.	Utility	2,447,900	0.100%

MONROE COUNTY COMMUNITY SCHOOL CORPORATION

General

Monroe County Community School Corporation encompasses approximately 360 square miles in Monroe County, including the Townships of Benton, Bloomington, Clear Creek, Indian Creek, Perry, Polk, Salt Creek, Van Buren and Washington. The current population of the School Corporation is approximately 105,474.

The most recent audit by the State Board of Accounts was filed on June 29, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 10,698 2004 - 10,728 2005 - 10,876 2006 - 10,900

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$2,487,208,609	100.03%	\$1.5726	\$29,710,593	\$7,807,143
2003	4,182,996,103 ⁽¹⁾	99.15%	1.0208	29,894,628	8,337,334
2004	4,163,344,659	100.20%	1.1038	29,915,839	8,341,465
2005	4,418,683,906	98.48%	1.1565	27,341,188	8,339,085
2006	4,563,478,597	- In Process -	1.2308	25,539,209 *	8,433,537 *

* Estimated

(1) Increase due to reassessment.

MONROE COUNTY COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>Retirement/ Severance Fund</u>
Receipts:							
Property Taxes	\$27,755,847	\$9,792,690	\$3,825,678	\$609,323	\$7,760,162	\$87,046	\$243,095
Bank & Excise	2,853,832	1,012,502	395,550	63,000	802,352	9,000	30,330
State Grants	27,011,091	0	11,471	0	0	318,626	0
Miscellaneous	<u>13,357,022</u>	<u>0</u>	<u>1,543,824</u>	<u>25,200</u>	<u>131,343,240</u>	<u>0</u>	<u>0</u>
Total	<u>\$70,977,792</u>	<u>\$10,805,192</u>	<u>\$5,776,523</u>	<u>\$697,523</u>	<u>\$139,905,754</u>	<u>\$414,672</u>	<u>\$273,425</u>
Disbursements	<u>\$70,521,217</u>	<u>\$10,915,136</u>	<u>\$5,874,753</u>	<u>\$517,322</u>	<u>\$139,080,593</u>	<u>\$413,958</u>	<u>\$553,675</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>Retirement/ Severance Fund</u>
Receipts:							
Property Taxes	\$30,876,496	\$10,067,034	\$4,166,456	\$657,141	\$10,308,898	\$91,270	\$0
Bank & Excise	3,061,912	1,000,000	446,200	72,400	892,000	10,040	0
State Grants	25,217,959	0	0	0	0	321,250	0
Miscellaneous	<u>2,911,484</u>	<u>0</u>	<u>258,115</u>	<u>0</u>	<u>115,000</u>	<u>0</u>	<u>0</u>
Total	<u>\$62,067,851</u>	<u>\$11,067,034</u>	<u>\$4,870,771</u>	<u>\$729,541</u>	<u>\$11,315,898</u>	<u>\$422,560</u>	<u>\$0</u>
Disbursements	<u>\$61,701,937</u>	<u>\$11,368,521</u>	<u>\$4,938,717</u>	<u>\$936,631</u>	<u>\$8,421,230</u>	<u>\$407,000</u>	<u>\$0</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>All Other</u>	<u>Total</u>
2002	\$1,234,624	\$169,146	\$22,135	\$122,149	\$46,404	\$0	\$5,923,082	\$7,517,540
2003	1,067,479	72,371	95,604	287,678	2,500,044	0	4,363,754	8,386,930
2004	2,642,727	242,064	161,853	88,137	3,521,281	38	2,015,441	8,671,541
2005	3,099,302	132,120	63,623	268,338	4,346,442	752	2,195,945	10,106,522

MONROE COUNTY COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$11,145,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$92,611,705</u>
Total School Corporation Indebtedness		<u>\$103,756,705</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		2.27%
Total School Corporation Indebtedness Per Capita		\$983.72

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
RCR Properties LLC	Education	\$48,039,500	1.150%
CFC, Inc.	Real Estate	37,765,100	0.910%
Cook, Inc.	Medical Instrument Mfg.	37,218,200	0.890%
Woodbridge Apartments	Real Estate Rental	26,206,600	0.630%
Rogers Farm LLC	Real Estate	22,596,100	0.540%
Latimer Farm ETC	Real Estate	20,360,100	0.490%
Simon Properties	Shopping Mall	20,130,900	0.480%
University Commons	Real Estate Rental	15,750,100	0.380%
General Electric	Refrigerator Mfg.	15,000,000	0.360%
Whitehall Crossing LLC	Shopping Center	13,764,300	0.330%

MONROE-GREGG SCHOOL DISTRICT

General

Monroe-Gregg School District encompasses approximately 72 square miles in Morgan County, including the Townships of Monroe and Gregg. The current population of the School Corporation is approximately 7,552.

The most recent audit by the State Board of Accounts was filed on February 7, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,270 2004 - 1,298 2005 - 1,343 2006 - 1,350

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$165,163,580	100.30%	\$1.5573	\$5,052,800	\$409,125
2003	322,412,820 ⁽¹⁾	98.50%	0.8804	5,051,795	398,930
2004	320,040,480	101.30%	0.9767	4,896,960	397,923
2005	325,067,030	99.40%	1.5143	4,803,371	1,718,734
2006	329,901,140	- In Process -	1.6114	4,542,661 *	1,893,176 *

* Estimated

(1) Increase due to reassessment.

MONROE-GREGG SCHOOL DISTRICT (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,893,609	\$1,667,410	\$392,617	\$204,225	\$730,300	\$5,170	\$0
Bank & Excise	287,386	253,056	59,587	30,995	110,835	785	0
State Grants	4,735,327	0	0	0	0	36,049	0
Miscellaneous	<u>123,774</u>	<u>61,770</u>	<u>20,296</u>	<u>7,566</u>	<u>29,501</u>	<u>272</u>	<u>0</u>
Total	<u>\$7,040,096</u>	<u>\$1,982,236</u>	<u>\$472,500</u>	<u>\$242,786</u>	<u>\$870,636</u>	<u>\$42,276</u>	<u>\$0</u>
Disbursements	<u>\$7,061,486</u>	<u>\$1,373,133</u>	<u>\$636,097</u>	<u>\$273,815</u>	<u>\$975,363</u>	<u>\$29,661</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,292,153	\$1,484,555	\$481,656	\$251,715	\$800,670	\$5,278	\$0
Bank & Excise	283,000	246,000	61,550	30,880	102,800	741	0
State Grants	4,506,948	0	0	0	0	35,713	0
Miscellaneous	<u>44,000</u>	<u>0</u>	<u>5,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$7,126,101</u>	<u>\$1,730,555</u>	<u>\$548,206</u>	<u>\$282,595</u>	<u>\$903,470</u>	<u>\$41,732</u>	<u>\$0</u>
Disbursements	<u>\$7,773,105</u>	<u>\$1,368,609</u>	<u>\$867,139</u>	<u>\$300,000</u>	<u>\$1,500,000</u>	<u>\$40,000</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	Total
2002	\$544,987	\$230,171	\$412,906	\$33,569	\$543,506	\$0	\$87,350	\$1,852,489
2003	652,137	177,226	409,698	67,118	797,670	21,963	114,001	2,239,813
2004	534,698	77,194	261,537	65,825	926,257	18,354	442,972	2,326,837
2005	484,049	600,469	199,308	33,505	788,404	30,902	942,625	3,079,262

MONROE-GREGG SCHOOL DISTRICT (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	\$2,000,000 *
	- This Issue	\$1,245,000
Veterans and Common School Loans		\$9,450,000
Lease Obligations		<u>\$13,310,000</u>
Total School Corporation Indebtedness		<u>\$26,005,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		7.88%
Total School Corporation Indebtedness Per Capita		\$3,443.46

*The School District plans to sell \$2,000,000 of tax exempt General Obligation Bonds on Thursday, May 25th with a closing scheduled for June 14th.

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Clay County Rural Telephone Co.	Utility	\$1,811,140	0.550%
Echo Lake	Real Estate	1,450,200	0.440%
IPL	Utility	1,204,080	0.360%
South Central Indiana REMC	Utility	1,004,310	0.300%
Dorsett Brothers, Inc.	Industry	859,340	0.260%
Whitney, John Y Sherry	Farming	817,460	0.250%
Gilkerson, Mark & Lori	Farming	685,100	0.210%
Law, Jeffrey & Kristin	Farming	607,400	0.180%
Comcast of Indianapolis	Cable	576,740	0.170%
Green, Byron & Evelyn	Farming	488,800	0.150%

SCHOOL TOWN OF MUNSTER

General

School Town of Munster encompasses approximately 17 square miles in Lake County, including the Township of North. The current population of the School Corporation is approximately 22,240.

The most recent audit by the State Board of Accounts was filed on January 20, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005. The current audit report should be filed and available prior to June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 3,812 2004 - 3,869 2005 - 4,105 2006 - 4,120

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$620,682,699	97.51%	\$2.3073	\$11,340,591	\$3,321,273
2003	584,142,784 ^[1]	101.65%	1.1519	12,051,501	2,330,145
2004	1,527,121,081 ^[2]	97.71%	3.2681	11,792,229	5,729,758
2005	1,571,811,400	96.46%	1.2305	11,648,123	6,351,174
2006	1,597,432,193	- In Process -	1.3197	11,179,116 *	6,556,203 *

* Estimated

(1) Change due to appeals and correction of errors from previous assessments.

(2) Increase due to reassessment.

SCHOOL TOWN OF MUNSTER (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$14,296,692	\$9,577,062	\$1,911,975	\$69,144	\$3,339,598	\$35,590	\$165,475
Bank & Excise	963,755	627,943	131,119	3,833	22,979	2,414	36,801
State Grants	10,927,301	0	0	0	0	129,245	0
Miscellaneous	<u>3,995,782</u>	<u>0</u>	<u>10,919</u>	<u>0</u>	<u>3,420</u>	<u>0</u>	<u>0</u>
Total	<u>\$30,183,530</u>	<u>\$10,205,005</u>	<u>\$2,054,013</u>	<u>\$72,977</u>	<u>\$3,365,997</u>	<u>\$167,249</u>	<u>\$202,276</u>
Disbursements	<u>\$25,525,116</u>	<u>\$6,239,351</u>	<u>\$1,369,179</u>	<u>\$85,241</u>	<u>\$2,501,875</u>	<u>\$167,249</u>	<u>\$493,181</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$10,007,913	\$6,394,521	\$1,274,751	\$119,807	\$2,781,129	\$22,364	\$0
Bank & Excise	636,726	406,546	81,045	7,617	176,816	1,421	33,600
State Grants	10,624,851	0	0	0	0	79,386	0
Miscellaneous	<u>4,653,859</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$25,923,349</u>	<u>\$6,801,067</u>	<u>\$1,355,796</u>	<u>\$127,424</u>	<u>\$2,957,945</u>	<u>\$103,171</u>	<u>\$33,600</u>
Disbursements	<u>\$24,657,487</u>	<u>\$6,664,396</u>	<u>\$1,326,828</u>	<u>\$140,122</u>	<u>\$2,895,897</u>	<u>\$103,171</u>	<u>\$490,851</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	<u>Total</u>
2002	\$3,326	\$889,187	(\$46,000)	\$51,651	\$482,053	\$10,554	\$4,248,037	\$5,638,808
2003	(285,425)	358,411	(140,474)	96,679	231,037	5,401	6,784,199	7,049,828
2004	(1,156,109)	(42,461)	401	(3,943)	(178,028)	0	4,617,633	3,237,493
2005	1,201,703	2,146,096	(283,297)	2,118	(281,219)	0	4,700,000	7,485,401

SCHOOL TOWN OF MUNSTER (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	\$2,675,000
	- This Issue	\$7,175,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$70,665,000</u>
Total School Corporation Indebtedness		<u>\$80,515,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		5.12%
Total School Corporation Indebtedness Per Capita		\$3,620.28

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Centerpoint Properties	Real Estate	\$25,818,200	4.420%
Lee Publications	Publishing	15,863,690	2.720%
Pepsi-Cola	Beverage Bottle	15,026,860	2.570%
Community Foundation	Hospital	13,995,990	2.400%
NiSource	Utility	11,922,970	2.040%
Merchants Bank & Trust	Financial Institution	9,444,900	1.620%
7905 Calumet Bldg.	Real Estate	9,182,090	1.570%
Illiana Surgery Center	Health Care	8,573,100	1.470%
Temple Corporation	Extended Care Facility	6,051,500	1.404%
Citizens Financial Sev	Financial Institution	5,200,000	0.890%

MT. VERNON COMMUNITY SCHOOL CORPORATION

General

Mt. Vernon Community School Corporation encompasses approximately 67 square miles in Hancock County, including the Townships of Buck Creek and Vernon. The current population of the School Corporation is approximately 13,553.

The most recent audit by the State Board of Accounts was filed on February 8, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 3,049 2004 - 3,190 2005 - 3,340 2006 - 3,538

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$397,928,545	99.15%	\$2.1623	\$10,714,018	\$3,606,163
2003	644,078,675 ⁽¹⁾	98.56%	1.3670	11,263,592	3,913,693
2004	760,425,865	101.37%	1.3284	10,979,904	3,619,011
2005	814,557,400	99.57%	1.4320	10,707,211	4,880,894
2006	869,944,110	- In Process -	1.5526	10,250,000 *	4,912,738 *

* Estimated

(1) Increase due to reassessment.

MT. VERNON COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$5,031,967	\$4,277,851	\$746,145	\$213,416	\$1,861,709	\$17,424	\$242,787
Bank & Excise	1,177,186	957,087	170,117	51,755	432,116	4,085	57,521
State Grants	10,453,077	0	0	0	0	151,457	0
Miscellaneous	<u>1,369,721</u>	<u>184,679</u>	<u>45,782</u>	<u>9,042</u>	<u>79,707</u>	<u>744</u>	<u>0</u>
Total	<u>\$18,031,951</u>	<u>\$5,419,617</u>	<u>\$962,044</u>	<u>\$274,213</u>	<u>\$2,373,532</u>	<u>\$173,710</u>	<u>\$300,308</u>
Disbursements	<u>\$18,047,298</u>	<u>\$5,028,085</u>	<u>\$859,775</u>	<u>\$185,373</u>	<u>\$1,613,468</u>	<u>\$167,961</u>	<u>\$263,208</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$6,113,967	\$3,939,977	\$876,034	\$239,235	\$2,093,086	\$17,399	\$227,055
Bank & Excise	754,274	486,277	108,130	29,046	258,332	2,147	27,508
State Grants	10,431,359	0	0	0	0	146,731	0
Miscellaneous	<u>701,205</u>	<u>0</u>	<u>110,569</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$18,000,805</u>	<u>\$4,426,254</u>	<u>\$1,094,733</u>	<u>\$268,281</u>	<u>\$2,351,418</u>	<u>\$166,277</u>	<u>\$254,563</u>
Disbursements	<u>\$18,440,568</u>	<u>\$4,912,738</u>	<u>\$937,930</u>	<u>\$335,000</u>	<u>\$2,931,456</u>	<u>\$182,426</u>	<u>\$259,926</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	<u>Total</u>
2002	\$121,524	\$622,718	\$70,177	\$38,599	\$507,080	\$27,352	\$102,471	\$1,489,921
2003	898,930	480,169	2,786	39,980	727,383	9,956	100,859	2,260,063
2004	688,001	190,419	(102,267)	47,614	376,616	15,174	67,544	1,283,101
2005	672,654	581,952	2	136,454	1,136,679	25,893	2,831,502	5,385,136

MT. VERNON COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$2,255,000
- This Issue	\$2,940,000
Veterans and Common School Loans	\$1,050,000
Lease Obligations	<u>\$55,285,000</u>
Total School Corporation Indebtedness	<u>\$61,530,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	7.07%
Total School Corporation Indebtedness Per Capita	\$4,539.95

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Gateway Crossing Apt	Apartments	\$8,655,400	1.060%
Stanley Chevrolet	Automobile Dealer	5,034,060	0.620%
Stewart Real Estate	Apartments	2,667,100	0.330%
Hancock Telecom	Cable Television	2,204,230	0.270%
City of Indpls. Water	Water and Sewer Utility	2,192,780	0.270%
Jefferson Place Apt.	Apartments	2,188,800	0.270%
Stanley Development	Commercial Real Estate	1,906,700	0.230%
Ferrills' Property Mgmt	Apartments	1,521,300	0.190%
Fortville Feeders, Inc.	Parts Handling Systems	1,444,000	0.180%
Vinings Industries, Inc.	Chemical Manufacturing	1,317,100	0.160%

MSD OF NEW DURHAM TOWNSHIP

General

MSD of New Durham Township encompasses approximately 37 square miles in LaPorte County, including the Township of New Durham. The current population of the School Corporation is approximately 4,095.

The most recent audit by the State Board of Accounts was filed on February 14, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 779 2004 - 810 2005 - 830 2006 - 850

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$95,973,360	101.18%	\$2.1483	\$2,872,040	\$827,592
2003	159,396,485 ⁽¹⁾	40.68% ⁽²⁾	1.5877	3,119,274	953,703
2004	155,614,785	166.73%	1.5695	3,258,641	856,000
2005	160,144,867	100.00%	1.6760	3,320,253	977,478
2006	163,645,040	- In Process -	1.7620	3,367,214 *	986,434 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

MSD OF NEW DURHAM TOWNSHIP (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,326,618	\$739,948	\$88,498	\$60,873	\$464,977	\$3,052	\$0
Bank & Excise	193,973	107,862	12,883	8,689	66,848	444	0
State Grants	3,214,336	0	0	0	0	10,707	0
Miscellaneous	<u>161,858</u>	<u>21,160</u>	<u>3,177</u>	<u>1,741</u>	<u>20,817</u>	<u>87</u>	<u>0</u>
Total	<u>\$4,896,785</u>	<u>\$868,970</u>	<u>\$104,558</u>	<u>\$71,303</u>	<u>\$552,642</u>	<u>\$14,290</u>	<u>\$0</u>
Disbursements	<u>\$4,873,592</u>	<u>\$954,338</u>	<u>\$132,131</u>	<u>\$64,717</u>	<u>\$614,371</u>	<u>\$55,084</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,294,403	\$1,098,584	\$103,784	\$54,170	\$484,154	\$3,206	\$0
Bank & Excise	145,947	130,410	12,320	6,431	57,472	380	0
State Grants	3,346,450	0	0	0	0	10,477	0
Miscellaneous	<u>97,983</u>	<u>0</u>	<u>9,583</u>	<u>0</u>	<u>11,400</u>	<u>0</u>	<u>0</u>
Total	<u>\$4,884,783</u>	<u>\$1,228,994</u>	<u>\$125,687</u>	<u>\$60,601</u>	<u>\$553,026</u>	<u>\$14,063</u>	<u>\$0</u>
Disbursements	<u>\$5,474,263</u>	<u>\$1,053,573</u>	<u>\$128,163</u>	<u>\$67,000</u>	<u>\$700,378</u>	<u>\$21,632</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All <u>Other</u>	<u>Total</u>
2002	\$1,353,121	\$563,641	\$249,601	\$13,853	\$185,022	\$87,854	\$8,171	\$2,461,263
2003	478,473	(31,692)	16,985	(20,684)	21,326	71,007	25,018	560,433
2004	631,692	418,591	31,414	3,737	336,376	68,957	59,576	1,550,343
2005	654,885	333,223	3,841	10,323	274,647	28,162	59,051	1,364,132

MSD OF NEW DURHAM TOWNSHIP (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$1,165,000
Veterans and Common School Loans		\$15,760
Lease Obligations		<u>\$12,120,000</u>
Total School Corporation Indebtedness		<u>\$13,300,760</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		8.13%
Total School Corporation Indebtedness Per Capita		\$3,248.05

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
TP Orthodontics, Inc.	Dental Products Mfg.	\$8,684,920	5.420%
NiSource	Utility	3,846,410	2.400%
Verizon North Inc.	Utility	2,321,950	1.450%
New Durham Assoc. Inc.	Multi Family Apts.	2,270,260	1.420%
Setser Enterprises	Retail Shopping Ctr.	979,100	0.610%
Westville Assoc.	Trailer Park	927,600	0.580%
Parkman, Mark & Nancy	Housing Develop	916,940	0.570%
NCVEC	Veterinary Hospital	795,300	0.500%
Westville Development	Multi Family Apts.	777,200	0.490%
Paul's Auto Yard	Auto Parts Sales	700,000	0.440%

NORTH JUDSON – SAN PIERRE SCHOOLS

General

North Judson – San Pierre Schools encompasses approximately 150.5 square miles in Starke and Pulaski Counties, including the Townships of California, Jackson, Railroad, Wayne, North Cass and Rich Grove. The current population of the School Corporation is approximately 8,422.

The most recent audit by the State Board of Accounts was filed on January 31, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,470 2004 - 1,465 2005 - 1,462 2006 - 1,457

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$156,316,620	94.86%	\$2.1556	\$7,344,816	\$1,292,953
2003	251,598,460 ^[1]	61.04% ^[2]	1.3774	7,581,001	1,306,773
2004	244,604,945	136.74%	1.4981	7,555,331	1,298,200
2005	253,266,930	100.95%	1.5825	7,369,413	1,234,499
2006	224,174,490	- In Process -	1.5488	7,267,200 *	1,240,081 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

NORTH JUDSON – SAN PIERRE SCHOOLS (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,611,936	\$1,211,803	\$361,261	\$124,959	\$719,169	\$5,117	\$0
Bank & Excise	189,956	142,529	42,491	14,697	84,590	602	0
State Grants	7,279,049	0	0	0	0	38,935	0
Miscellaneous	<u>406,116</u>	<u>33,670</u>	<u>10,142</u>	<u>3,471</u>	<u>19,980</u>	<u>141</u>	<u>0</u>
Total	<u>\$9,487,057</u>	<u>\$1,388,002</u>	<u>\$413,894</u>	<u>\$143,127</u>	<u>\$823,739</u>	<u>\$44,795</u>	<u>\$0</u>
Disbursements	<u>\$9,816,157</u>	<u>\$1,352,174</u>	<u>\$394,402</u>	<u>\$162,669</u>	<u>\$765,824</u>	<u>\$53,683</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,521,582	\$1,167,370	\$204,102	\$111,349	\$738,111	\$4,650	\$0
Bank & Excise	177,499	150,748	26,360	14,381	95,327	600	0
State Grants	7,241,658	0	0	0	0	25,542	0
Miscellaneous	<u>176,740</u>	<u>0</u>	<u>97,311</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$9,117,479</u>	<u>\$1,318,118</u>	<u>\$327,773</u>	<u>\$125,730</u>	<u>\$833,438</u>	<u>\$30,792</u>	<u>\$0</u>
Disbursements	<u>\$9,956,486</u>	<u>\$1,316,004</u>	<u>\$369,241</u>	<u>\$171,229</u>	<u>\$800,812</u>	<u>\$35,600</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	Total
2002	\$1,552,672	\$677,252	\$123,856	\$15,992	\$176,564	\$24,601	\$20,204	\$2,591,141
2003	1,202,857	162,670	(10,642)	(21,415)	(90,615)	14,551	322,917	1,580,323
2004	705,621	586,255	52,873	81,591	9,860	15,949	48,623	1,500,772
2005	1,376,521	622,083	73,364	62,049	67,775	7,061	114,849	2,323,702

NORTH JUDSON – SAN PIERRE SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$830,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$9,895,000</u>
Total School Corporation Indebtedness		<u>\$10,725,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		4.78%
Total School Corporation Indebtedness Per Capita		\$1,273.45

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
American Oak Preserving	Oak Leaf & Flower Preserver	\$1,982,500	0.880%
R & R Development	Golf Course	1,791,640	0.800%
Gumz Farms	Mint, Potato & Grain Farm	1,531,100	0.680%
James Kersting	Real Estate Development	1,191,300	0.530%
John Davis	Mint Farm	777,140	0.350%
Thermo Products	Furnace Mfg.	757,700	0.340%
North Judson Assoc.	Real Estate Development	711,650	0.320%
First National Bank Valparaiso	Real Estate	616,430	0.280%
RLV Properties	Real Estate Development	610,100	0.270%
Mint Valley Manor	Multi Family Apartments	579,090	0.260%

NORTH MIAMI COMMUNITY SCHOOLS

General

North Miami Community Schools encompasses approximately 156 square miles in Miami County, including the Townships of Allen, Perry, Union, Richland and Jefferson. The current population of the School Corporation is approximately 6,450.

The most recent audit by the State Board of Accounts was filed on February 8, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,158 2004 - 1,190 2005 - 1,220 2006 - 1,237

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$146,359,103	101.66%	\$1.7206	\$5,141,947	\$514,871
2003	235,013,378 ⁽¹⁾	102.99%	1.1117	5,148,186	505,186
2004	221,226,920	105.77%	1.3366	4,814,855	612,024
2005	220,650,760	109.35%	1.3699	4,920,103	642,414
2006	223,338,720	- In Process -	1.3198	4,704,480 *	688,015 *

* Estimated

(1) Increase due to reassessment.

NORTH MIAMI COMMUNITY SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,709,066	\$506,043	\$323,086	\$121,139	\$622,183	\$5,262	\$110,453
Bank & Excise	260,012	79,008	45,894	19,822	92,657	801	17,291
State Grants	4,873,122	0	0	0	0	20,116	0
Miscellaneous	<u>1,382,521</u>	<u>171,151</u>	<u>405,487</u>	<u>23,692</u>	<u>415,844</u>	<u>2,628</u>	<u>65,956</u>
Total	<u>\$8,224,721</u>	<u>\$756,202</u>	<u>\$774,467</u>	<u>\$164,653</u>	<u>\$1,130,684</u>	<u>\$28,807</u>	<u>\$193,700</u>
Disbursements	<u>\$8,718,780</u>	<u>\$869,940</u>	<u>\$855,372</u>	<u>\$126,961</u>	<u>\$1,381,159</u>	<u>\$34,156</u>	<u>\$201,002</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,039,828	\$511,402	\$451,419	\$86,428	\$833,368	\$6,279	\$103,587
Bank & Excise	362,988	104,114	80,265	15,494	147,919	11,291	15,535
State Grants	4,684,364	0	0	0	0	20,116	0
Miscellaneous	<u>504,518</u>	<u>1,050</u>	<u>4,225</u>	<u>0</u>	<u>504</u>	<u>0</u>	<u>0</u>
Total	<u>\$7,591,698</u>	<u>\$616,566</u>	<u>\$535,909</u>	<u>\$101,922</u>	<u>\$981,791</u>	<u>\$37,686</u>	<u>\$119,122</u>
Disbursements	<u>\$7,096,440</u>	<u>\$644,270</u>	<u>\$464,165</u>	<u>\$270,000</u>	<u>\$708,418</u>	<u>\$7,919</u>	<u>\$102,531</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$276,117	\$216,502	\$75,379	\$234,638	\$163,435	\$4,869	\$129,591	\$1,100,531
2003	616,391	130,471	19,494	115,628	41,909	10,379	140,369	1,074,641
2004	439,088	154,777	33,962	173,660	211,925	4,492	199,830	1,217,734
2005	(54,971)	41,039	(46,943)	211,352	(38,550)	(857)	391,151	502,221

NORTH MIAMI COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$875,000
- This Issue	\$1,395,000
Veterans and Common School Loans	\$4,590,152
Lease Obligations	-
Total School Corporation Indebtedness	<u>\$6,860,152</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	3.07%
Total School Corporation Indebtedness Per Capita	\$1,063.59

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Russell and Geneva Bellar	Agriculture	\$2,740,410	1.190%
Cinergy	Utility	2,309,320	1.000%
United Telephone Co. of Indiana	Utility	1,594,960	0.690%
Miami-Cass REMC	Utility	1,472,320	0.640%
Fred Warner Farms, Inc.	Agriculture	1,281,500	0.560%
Hudson Farms, Inc.	Agriculture	1,266,480	0.550%
Mark Lee and Loretta Deardorff	Agriculture	1,224,150	0.530%
W.T. Miller and Sons, Inc.	Agriculture	932,850	0.400%
Eckrote Farms, Inc.	Agriculture	916,390	0.400%
NiSource	Utility	835,960	0.360%

NORTHEAST SCHOOL CORPORATION

General

Northeast School Corporation encompasses approximately 180 square miles in Sullivan County, including the Townships of Cass, Curry, Fairbanks, Jackson and Jefferson. The current population of the School Corporation is approximately 8,644.

The most recent audit by the State Board of Accounts was filed on February 2, 2006 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,522 2004 - 1,526 2005 - 1,496 2006 - 1,510

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$184,285,080	101.10%	\$2.3292	\$6,468,685	\$2,087,871
2003	292,807,630 ⁽¹⁾	88.50% ⁽²⁾	1.5240	6,612,065	2,299,513
2004	263,568,295	115.30%	1.7178	6,750,898	2,258,924
2005	274,869,790	103.40%	1.6915	6,803,471	1,541,961
2006	262,615,125	- In Process -	1.5208	6,714,740 *	636,323 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

NORTHEAST SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,984,133	\$1,052,713	\$696,209	\$123,011	\$723,544	\$5,980	\$222,673
Bank & Excise	231,471	122,302	80,884	14,292	84,059	695	25,870
State Grants	6,679,993	0	0	0	0	123,478	0
Miscellaneous	<u>1,960,658</u>	<u>0</u>	<u>586,113</u>	<u>0</u>	<u>64,517</u>	<u>424</u>	<u>1,980</u>
Total	<u>\$10,856,255</u>	<u>\$1,175,015</u>	<u>\$1,363,206</u>	<u>\$137,303</u>	<u>\$872,120</u>	<u>\$130,577</u>	<u>\$250,523</u>
Disbursements	<u>\$10,800,624</u>	<u>\$1,026,056</u>	<u>\$1,348,949</u>	<u>\$130,432</u>	<u>\$882,537</u>	<u>\$101,958</u>	<u>\$240,025</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,889,084	\$509,999	\$733,484	\$126,843	\$748,190	\$5,515	\$202,739
Bank & Excise	193,214	58,256	85,010	14,700	86,715	639	22,563
State Grants	6,591,005	0	0	0	0	123,735	0
Miscellaneous	<u>257,211</u>	<u>0</u>	<u>59,419</u>	<u>0</u>	<u>3,000</u>	<u>0</u>	<u>0</u>
Total	<u>\$8,930,514</u>	<u>\$568,255</u>	<u>\$877,913</u>	<u>\$141,543</u>	<u>\$837,905</u>	<u>\$129,889</u>	<u>\$225,302</u>
Disbursements	<u>\$9,352,776</u>	<u>\$523,000</u>	<u>\$892,169</u>	<u>\$144,779</u>	<u>\$998,867</u>	<u>\$134,391</u>	<u>\$235,800</u>

Year End Cash Balances

As of Dec. 31	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	All Other	Total
2002	\$691,999	\$71,785	\$194,770	\$4,700	\$452,683	\$4,800	\$383,355	\$1,804,092
2003	501,211	(48,438)	22,817	1,820	336,560	10,912	329,550	1,154,432
2004	572,454	18,747	0	0	208,123	7,882	933,070	1,740,276
2005	628,085	167,706	14,257	6,871	197,706	36,501	1,046,800	2,097,926

NORTHEAST SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$665,000
- This Issue	\$3,800,000
Veterans and Common School Loans	-
Lease Obligations	<u>\$3,675,000</u>
Total School Corporation Indebtedness	<u>\$8,140,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	3.10%
Total School Corporation Indebtedness Per Capita	\$941.69

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Indiana-Michigan Electric Co.	Utility	\$14,333,260	5.460%
Black Beauty Coal Co.	Coal Mining	1,632,670	0.620%
Midwest Coal Reserves	Coal Mining	1,556,860	0.590%
Drake Family	Real Estate	1,480,630	0.560%
Cinergy	Utility	1,473,760	0.560%
American Land Holdings	Coal Mining	1,377,640	0.520%
Buckthal Farms	Farming	918,600	0.350%
Verizon	Utility	698,290	0.270%
DG Holdings	Real Estate	675,300	0.260%
Reed Minerals	Manufacturing	611,470	0.230%

OREGON-DAVIS SCHOOL CORPORATION

General

Oregon-Davis School Corporation encompasses approximately 72 square miles in Starke County, including the Townships of Oregon and Davis. The current population of the School Corporation is approximately 4,216.

The most recent audit by the State Board of Accounts was filed on December 16, 2004 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 752 2004 - 725 2005 - 709 2006 - 714

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$99,206,250	99.50%	\$1.8669	\$3,551,507	\$351,311
2003	188,619,715 ^[1]	12.75% ^[2]	1.1096	3,529,990	537,421
2004	188,492,075	165.41%	1.2357	3,444,318	465,117
2005	178,013,875	100.47%	1.2728	3,300,140	715,266
2006	155,377,330	- In Process -	1.3805	3,363,000 *	626,747 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

OREGON-DAVIS SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,107,657	\$588,172	\$234,237	\$81,862	\$261,582	\$2,924	\$0
Bank & Excise	123,791	71,369	28,423	9,933	31,741	354	0
State Grants	3,246,042	0	0	0	0	18,974	0
Miscellaneous	<u>68,353</u>	<u>18,716</u>	<u>14,282</u>	<u>2,571</u>	<u>8,435</u>	<u>91</u>	<u>0</u>
Total	<u>\$4,545,843</u>	<u>\$678,257</u>	<u>\$276,942</u>	<u>\$94,366</u>	<u>\$301,758</u>	<u>\$22,343</u>	<u>\$0</u>
Disbursements	<u>\$4,445,059</u>	<u>\$715,266</u>	<u>\$312,839</u>	<u>\$22,343</u>	<u>\$360,335</u>	<u>\$12,602</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,271,025	\$371,038	\$326,314	\$54,846	\$514,226	\$3,313	\$0
Bank & Excise	166,000	55,750	43,500	13,200	55,200	486	0
State Grants	3,351,000	0	0	0	0	12,000	0
Miscellaneous	<u>43,880</u>	<u>0</u>	<u>36,728</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$4,831,905</u>	<u>\$426,788</u>	<u>\$406,542</u>	<u>\$68,046</u>	<u>\$569,426</u>	<u>\$15,799</u>	<u>\$0</u>
Disbursements	<u>\$4,773,507</u>	<u>\$448,419</u>	<u>\$425,276</u>	<u>\$118,000</u>	<u>\$686,415</u>	<u>\$20,000</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All <u>Other</u>	<u>Total</u>
2002	\$447,241	\$383,287	\$150,785	\$60,331	\$606,006	\$1,333	\$1,379,372	\$3,028,355
2003	(307,866)	(218,089)	180,502	19,016	237,963	11,032	100,859	23,417
2004	575,531	319,430	326,266	54,484	676,672	18,776	910,786	2,881,945
2005	676,316	282,422	290,370	148,850	618,095	28,517	870,648	2,915,218

OREGON-DAVIS SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	-
- This Issue	\$520,000
Veterans and Common School Loans	-
Lease Obligations	<u>\$9,170,000</u>
Total School Corporation Indebtedness	<u>\$9,690,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	6.24%
Total School Corporation Indebtedness Per Capita	\$2,298.39

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Farm Bureau Co-Op	Agriculture	\$12,211,300	7.860%
Norton Packaging	Plastic pails	2,436,540	1.570%
CSX Transportation	Railroad	1,513,640	0.970%
Burch Farms	Agriculture	1,214,750	0.780%
NiSource	Utility	967,370	0.620%
Luther & Cheryl Ferch	Agriculture	812,300	0.520%
Goldia Seidentop	Family corporation	671,200	0.430%
Hamlet Association	Real Estate Development	579,700	0.370%
Hensler Nursery	Tree nursery	553,900	0.360%
Patricia Boyd	Agriculture	508,020	0.330%

PIONEER REGIONAL SCHOOL CORPORATION

General

Pioneer Regional School Corporation encompasses approximately 133 square miles in Cass County, including the Townships of Boone, Harrison, Jefferson, and Noble. The current population of the School Corporation is approximately 5,662.

The most recent audit by the State Board of Accounts was filed on November 17, 2005 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,019 2004 - 1,046 2005 - 1,048 2006 - 1,049

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$151,876,839	100.29%	\$1.5140	\$3,551,507	\$69,569
2003	229,426,290 ^[1]	84.70% ^[2]	1.1057	3,529,990	836,466
2004	216,400,040	84.89%	1.5524	3,444,318	676,659
2005	215,775,510	120.44%	1.5009	3,903,794	656,759
2006	204,120,440	- In Process -	1.6976	3,930,000 *	652,739 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

PIONEER REGIONAL SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,829,128	\$714,901	\$497,526	\$168,984	\$682,819	\$5,524	\$0
Bank & Excise	255,672	102,869	68,892	23,199	95,389	783	0
State Grants	3,875,751	0	0	0	0	8,787	0
Miscellaneous	<u>144,330</u>	<u>19,263</u>	<u>23,857</u>	<u>4,823</u>	<u>394,089</u>	<u>152</u>	<u>0</u>
Total	<u>\$6,104,881</u>	<u>\$837,033</u>	<u>\$590,275</u>	<u>\$197,006</u>	<u>\$1,172,297</u>	<u>\$15,246</u>	<u>\$0</u>
Disbursements	<u>\$6,274,322</u>	<u>\$656,759</u>	<u>\$565,884</u>	<u>\$0</u>	<u>\$883,986</u>	<u>\$40,706</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,483,270	\$565,613	\$446,776	\$225,771	\$740,400	\$4,286	\$0
Bank & Excise	154,668	59,192	46,587	23,570	77,434	448	0
State Grants	3,907,046	0	0	0	0	14,351	0
Miscellaneous	<u>7,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$5,551,984</u>	<u>\$624,805</u>	<u>\$493,363</u>	<u>\$249,341</u>	<u>\$817,834</u>	<u>\$19,085</u>	<u>\$0</u>
Disbursements	<u>\$5,656,787</u>	<u>\$652,739</u>	<u>\$550,883</u>	<u>\$290,252</u>	<u>\$1,366,780</u>	<u>\$11,000</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	All Other	Total
2002	\$6,481	\$253,021	\$47,827	\$56,417	\$189,013	\$27,352	\$102,471	\$682,582
2003	478,423	42,100	50,826	397	364,351	9,956	100,859	1,046,912
2004	402,714	89,730	33,197	71,834	343,324	53,209	306,226	1,300,234
2005	233,273	270,004	57,588	268,839	631,634	27,479	332,884	1,821,701

PIONEER REGIONAL SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	-
- This Issue	\$1,950,000
Veterans and Common School Loans	\$6,165,290
Lease Obligations	<u>-</u>
Total School Corporation Indebtedness	<u>\$8,115,290</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	4.41%
Total School Corporation Indebtedness Per Capita	\$1,433.29

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
NiSource	Utility	\$10,878,480	5.040%
MKR Farms	Farm	3,056,570	1.420%
Verizon	Utility	1,865,290	0.860%
Webber Farms	Farm	1,664,000	0.770%
Herd-Agri Enterprises	Agriculture	1,502,080	0.700%
John Woodhouse	Farm	993,830	0.460%
William Fox	Farm	897,880	0.420%
Beecher Farms	Farm	837,360	0.390%
Perma-Lean Pork	Farm	765,730	0.350%
Douglas Fox	Farm	735,110	0.340%

PORTAGE TOWNSHIP SCHOOLS

General

Portage Township Schools encompasses approximately 26 square miles in Porter County, including the Township of Portage. The current population of the School Corporation is approximately 43,956.

The most recent audit by the State Board of Accounts was filed on March 28, 2006 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 7,990 2004 - 8,042 2005 - 8,070 2006 - 8,090

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$400,652,675	105.20%	\$1.7113	\$32,823,836	\$2,168,069
2003	971,331,920 ⁽¹⁾	98.40%	1.0335	33,646,384	3,389,176
2004	1,777,773,428	102.20%	1.1640	37,110,094	3,380,198
2005	1,820,798,522	96.90%	1.2193	33,143,367	3,702,617
2006	1,910,738,407	- In Process -	1.2923	32,139,647 *	3,966,448 *

* Estimated

(1) Increase due to reassessment.

PORTAGE TOWNSHIP SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$10,497,454	\$3,187,719	\$2,871,461	\$284,398	\$4,026,444	\$31,859	\$618,127
Bank & Excise	1,189,112	383,478	324,784	32,182	455,419	3,603	69,915
State Grants	31,728,453	0	0	0	0	198,226	4,235
Miscellaneous	<u>5,249,203</u>	<u>0</u>	<u>476,635</u>	<u>0</u>	<u>15,059</u>	<u>153</u>	<u>0</u>
Total	<u>\$48,664,222</u>	<u>\$3,571,197</u>	<u>\$3,672,880</u>	<u>\$316,580</u>	<u>\$4,496,922</u>	<u>\$233,841</u>	<u>\$692,277</u>
Disbursements	<u>\$48,684,940</u>	<u>\$3,982,799</u>	<u>\$4,338,863</u>	<u>\$350,000</u>	<u>\$4,031,866</u>	<u>\$215,000</u>	<u>\$703,647</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$11,947,847	\$3,159,914	\$3,299,845	\$392,622	\$5,449,426	\$34,393	\$410,809
Bank & Excise	1,284,430	635,334	354,743	122,835	585,830	3,697	44,164
State Grants	32,066,790	0	0	0	0	72,857	0
Miscellaneous	<u>3,946,987</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$49,246,054</u>	<u>\$3,795,248</u>	<u>\$3,654,588</u>	<u>\$515,457</u>	<u>\$6,035,256</u>	<u>\$110,947</u>	<u>\$454,973</u>
Disbursements	<u>\$50,755,833</u>	<u>\$4,208,000</u>	<u>\$4,360,687</u>	<u>\$549,874</u>	<u>\$6,123,091</u>	<u>\$250,000</u>	<u>\$702,185</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Project <u>Fund</u>	Special Education / Pre-School <u>Fund</u>	All Other	Total
2002	\$3,343,157	\$760,193	\$1,755,917	\$695,893	\$273,636	\$131,531	\$15,120,358	\$22,080,685
2003	1,723,118	1,151,758	1,579,759	463,443	423,267	136,165	16,425,651	21,903,161
2004	4,650,132	1,842,390	1,953,395	56,759	71,836	135,656	13,867,068	22,577,236
2005	4,629,413	1,430,787	1,287,413	23,339	536,893	154,497	14,376,004*	22,438,346

* Includes \$293,774 for Pension Debt Service.

PORTAGE TOWNSHIP SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$5,780,000
- This Issue	\$8,000,000
Veterans and Common School Loans	\$3,485,054
Lease Obligations	<u>\$52,450,000</u>
Total School Corporation Indebtedness	<u>\$69,715,054</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	3.65%
Total School Corporation Indebtedness Per Capita	\$1,586.02

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
U.S. Steel	Steel Manufacturing	\$147,383,690	8.090%
Beta Steel	Steel Manufacturing	62,915,210	3.460%
PedCor Investments	Real Estate Holdings	23,686,400	1.300%
Port Side Energy	Utility	18,257,370	1.000%
Steel Technologies	Steel Processing	17,753,650	0.980%
Frick Farm Supply, Inc.	Agriculture Supplies	15,591,600	0.860%
NiSource	Utility	15,504,560	0.850%
K-Mart	Retail	12,515,880	0.690%
Verizon North	Utility	11,568,740	0.640%
Indiana-American Water Co.	Utility	11,232,980	0.620%

MSD OF SHAKAMAK

General

MSD of Shakamak encompasses approximately 80 square miles in western Greene County, including the Townships of Wright and Lewis (Clay County). The current population of the School Corporation is approximately 5,734.

The most recent audit by the State Board of Accounts was filed on February 1, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 923 2004 - 946 2005 - 915 2006 - 899

Selected Statistical Information

<u>Tax Payment</u> <u>Year</u>	<u>Assessed</u> <u>Valuation</u>	<u>Tax</u> <u>Collections</u>	<u>Total School</u> <u>Tax Rate</u>	<u>State</u> <u>Aid</u>	<u>Total</u> <u>Debt Service</u>
2002	\$81,335,916	99.12%	\$1.9578	\$3,551,507	\$680,532
2003	122,037,823 ⁽¹⁾	100.74%	1.3076	3,529,990	537,421
2004	123,007,835	96.85%	1.5798	3,444,318	465,117
2005	122,027,000	104.67%	1.5811	4,837,268	586,323
2006	114,197,720	- In Process -	1.8552	4,733,889 *	449,989 *

* Estimated

(1) Increase due to reassessment.

MSD OF SHAKAMAK (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,103,317	\$459,604	\$265,558	\$93,233	\$514,604	\$3,329	\$0
Bank & Excise	203,217	88,963	46,628	16,260	92,997	613	0
State Grants	4,779,299	0	0	0	0	35,815	0
Miscellaneous	<u>115,931</u>	<u>6,787</u>	<u>4,638</u>	<u>1,630</u>	<u>8,737</u>	<u>54</u>	<u>0</u>
Total	<u>\$6,201,764</u>	<u>\$555,354</u>	<u>\$316,824</u>	<u>\$111,123</u>	<u>\$616,338</u>	<u>\$39,811</u>	<u>\$0</u>
Disbursements	<u>\$6,295,461</u>	<u>\$601,663</u>	<u>\$267,776</u>	<u>\$116,590</u>	<u>\$573,078</u>	<u>\$44,121</u>	<u>\$0</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$866,437	\$543,379	\$197,290	\$180,572	\$383,701	\$2,463	\$0
Bank & Excise	143,860	63,000	29,850	19,600	56,400	440	0
State Grants	4,703,441	0	0	0	0	30,448	0
Miscellaneous	<u>29,400</u>	<u>0</u>	<u>46,600</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$5,743,138</u>	<u>\$606,379</u>	<u>\$273,740</u>	<u>\$200,172</u>	<u>\$440,101</u>	<u>\$33,351</u>	<u>\$0</u>
Disbursements	<u>\$5,928,050</u>	<u>\$449,989</u>	<u>\$203,680</u>	<u>\$132,000</u>	<u>\$432,629</u>	<u>\$49,500</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All <u>Other</u>	<u>Total</u>
2002	\$809,999	\$227,801	\$17,429	\$25,908	\$232,668	\$19,512	\$1,024,151	\$2,357,468
2003	288,752	16,209	(81,391)	(67,770)	(16,141)	20,062	202,571	362,292
2004	280,342	123,844	(43,819)	55,017	222,723	26,891	273,656	938,654
2005	186,645	77,534	5,229	49,551	265,982	22,580	317,040	924,561

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	-
- This Issue	\$2,000,000
Veterans and Common School Loans	\$3,313,077
Lease Obligations	<u>-</u>
Total School Corporation Indebtedness	<u>\$5,313,077</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	4.65%
Total School Corporation Indebtedness Per Capita	\$926.59

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Citizens Gas	Utility	\$2,927,950	2.564%
New Fashion Pork	Animal production	2,619,500	2.294%
SOO Line Railroad	Railroad	1,752,340	1.534%
AT&T	Utility	1,250,490	1.095%
B & T Rental Prop.	Property Management	1,135,600	0.994%
Ronald Laswell	Agriculture	1,000,600	0.876%
Jack Shilder	Agriculture	777,940	0.681%
Heartland Pork	Animal Production	551,800	0.483%
Cinergy	Utility	484,560	0.424%
Utilities of Western IN	Utility	480,130	0.420%

SMITH-GREEN COMMUNITY SCHOOLS

General

Smith-Green Community Schools encompasses approximately 71 square miles in Noble and Whitley Counties, including the Townships of Green and Smith. The current population of the School Corporation is approximately 6,819.

The most recent audit by the State Board of Accounts was filed on January 24, 2006 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,376 2004 - 1,373 2005 - 1,354 2006 - 1,321

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$158,989,270	99.91%	\$1.4600	\$5,631,823	\$643,575
2003	269,450,725 ⁽¹⁾	52.02% ⁽²⁾	1.0078	5,681,079	614,593
2004	283,199,832	104.94%	1.2122	5,840,294	821,942
2005	271,396,024	133.70%	1.2858	5,783,684	791,289
2006	271,860,417	- In Process -	1.3680	5,750,000 *	1,376,037 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

SMITH-GREEN COMMUNITY SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,172,596	\$915,003	\$406,254	\$58,347	\$952,792	\$6,983	\$157,131
Bank & Excise	304,100	126,656	58,829	6,391	135,908	976	22,282
State Grants	5,631,560	0	0	0	0	30,593	0
Miscellaneous	<u>262,235</u>	<u>28,982</u>	<u>22,674</u>	<u>918</u>	<u>28,820</u>	<u>203</u>	<u>0</u>
Total	<u>\$8,370,491</u>	<u>\$1,070,641</u>	<u>\$487,757</u>	<u>\$65,656</u>	<u>\$1,117,520</u>	<u>\$38,755</u>	<u>\$179,413</u>
Disbursements	<u>\$8,357,018</u>	<u>\$791,289</u>	<u>\$449,880</u>	<u>\$70,272</u>	<u>\$1,343,777</u>	<u>\$28,827</u>	<u>\$130,594</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,724,419	\$656,881	\$295,870	\$71,474	\$856,918	\$5,166	\$117,988
Bank & Excise	235,335	89,545	40,349	10,452	116,862	705	16,091
State Grants	5,490,219	0	0	0	0	22,063	0
Miscellaneous	<u>65,860</u>	<u>0</u>	<u>84,724</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$7,515,833</u>	<u>\$746,426</u>	<u>\$420,943</u>	<u>\$81,926</u>	<u>\$973,780</u>	<u>\$27,934</u>	<u>\$134,079</u>
Disbursements	<u>\$8,003,399</u>	<u>\$779,787</u>	<u>\$399,000</u>	<u>\$155,000</u>	<u>\$1,004,821</u>	<u>\$40,000</u>	<u>\$133,650</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	Total
2002	\$788,554	\$348,270	\$84,102	\$10,877	\$460,187	\$32,910	\$101,268	\$1,826,168
2003	951,356	265,398	63,852	85,158	371,113	12,099	1,103,582	2,852,558
2004	741,160	135,470	11,708	188,996	641,984	6,575	1,149,928	2,875,821
2005	754,632	411,823	49,586	184,380	415,727	19,503	1,148,929	2,984,580

SMITH-GREEN COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	\$880,000
	- This Issue	\$1,000,000
Veterans and Common School Loans		\$3,326,734
Lease Obligations		<u>\$555,000</u>
Total School Corporation Indebtedness		<u>\$5,761,734</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		2.12%
Total School Corporation Indebtedness Per Capita		\$844.95

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
C & A Tool	Tool & Die	\$9,014,195	3.320%
Dana Corp.	Manufacturing	4,461,680	1.640%
BRC Rubber Products	Manufacturing	2,239,760	0.820%
Northeastern REMC	Utility	1,521,350	0.560%
Duncan Family Land	Golf Course	1,000,000	0.370%
Chaffee Rentals	Rental	1,330,700	0.490%
Verizon North	Utility	1,186,330	0.440%
Churubusco State Bank	Banking	846,200	0.310%
Vandalia Apartments	Apartments	779,500	0.290%
Farmers & Merchants	Banking	655,200	0.240%

SOUTH BEND COMMUNITY SCHOOL CORPORATION

General

South Bend Community School Corporation encompasses approximately 190 square miles in St. Joseph County, including the Cities of South Bend, Roseland, and Indian Village, and the Townships of Clay, Centre, German, Green, Portage, and Warren. The current population of the School Corporation is approximately 163,952.

The most recent audit by the State Board of Accounts was filed on December 20, 2005 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 21,564 2004 - 21,406 2005 - 21,335 2006 - 21,244

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$3,381,068,255	98.84%	\$2.1725	\$92,974,019	\$15,188,102
2003	5,272,958,324 ⁽¹⁾	102.64%	1.4792	94,485,570	15,942,931
2004	5,026,362,730	99.64%	1.6201	96,468,788	18,396,049
2005	5,128,111,682	97.50%	1.5969	95,897,497	18,605,838
2006	5,056,966,861	- In Process -	1.6033	96,529,054 *	19,929,944 *

* Estimated

(1) Increase due to reassessment.

SOUTH BEND COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>Retirement/ Severance Fund</u>
Receipts:							
Property Taxes	\$48,320,045	\$22,347,391	\$14,381,572	\$2,150,365	\$20,457,364	\$151,896	\$2,109,510
Bank & Excise	3,228,617	1,531,938	983,275	155,822	1,408,970	10,326	144,089
State Grants	95,897,497	0	0	0	0	1,184,839	0
Miscellaneous	<u>30,101,763</u>	<u>26,352</u>	<u>4,644,209</u>	<u>0</u>	<u>98,518</u>	<u>1,180</u>	<u>0</u>
Total	<u>\$177,547,922</u>	<u>\$23,905,681</u>	<u>\$20,009,056</u>	<u>\$2,306,187</u>	<u>\$21,964,852</u>	<u>\$1,348,241</u>	<u>\$2,253,599</u>
Disbursements	<u>\$180,046,039</u>	<u>\$18,605,838</u>	<u>\$19,454,320</u>	<u>\$2,200,627</u>	<u>\$17,188,876</u>	<u>\$1,365,218</u>	<u>\$1,642,815</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>Retirement/ Severance Fund</u>
Receipts:							
Property Taxes	\$36,017,394	\$17,642,348	\$11,102,200	\$1,596,095	\$16,703,067	\$110,053	\$1,501,919
Bank & Excise	2,982,962	1,415,378	908,462	143,966	1,483,158	9,541	0
State Grants	94,875,985	0	0	0	0	1,328,197	0
Miscellaneous	<u>1,950,139</u>	<u>0</u>	<u>480,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>133,752</u>
Total	<u>\$135,826,480</u>	<u>\$19,057,726</u>	<u>\$12,490,662</u>	<u>\$1,740,061</u>	<u>\$18,186,225</u>	<u>\$1,447,791</u>	<u>\$1,635,671</u>
Disbursements	<u>\$135,826,480</u>	<u>\$18,711,541</u>	<u>\$12,709,595</u>	<u>\$2,000,596</u>	<u>\$18,299,404</u>	<u>\$1,447,791</u>	<u>\$1,643,107</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>All Other</u>	<u>Total</u>
2002	\$1,042,312	\$8,294,979	\$1,034,189	\$502,419	\$8,563,736	\$140,273	\$58,006,371	\$77,584,279
2003	2,085,933	9,420,307	2,350,490	227,962	13,307,554	122,389	40,147,573	67,662,208
2004	4,715,430	3,295,699	1,401,210	154,975	4,320,269	92,910	32,872,309	46,852,802
2005	2,217,314	8,414,152	1,955,947	260,535	9,096,246	75,933	39,883,166	61,903,293

SOUTH BEND COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$28,090,000
- This Issue	\$16,000,000
Veterans and Common School Loans	\$1,237,625
Lease Obligations	<u>\$171,740,000</u>
Total School Corporation Indebtedness	<u>\$217,067,625</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	4.23%
Total School Corporation Indebtedness Per Capita	\$1,323.97

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
AT&T	Communications utility	\$59,708,780	1.160%
Honeywell International	Mfr. Airplane & auto parts	48,313,100	0.940%
American Electric Power	Electric utility	47,935,800	0.930%
Williams, Ralph & Wanda	Apartments	46,117,410	0.900%
Walmart/Sam's Club	Retail stores	38,954,540	0.760%
Meijer, Inc.	Retail stores	32,910,770	0.630%
University Park Assoc.	Shopping mall	32,418,800	0.620%
Edward Rose of Indiana	Apartments	30,040,100	0.590%
NiSource	Gas/electric utility	29,945,290	0.580%
Comcast of Indiana	Cable utility	25,493,760	0.500%

SOUTH CENTRAL COMMUNITY SCHOOL CORPORATION

General

South Central Community School Corporation encompasses approximately 40 square miles in LaPorte County, including the Townships of Clinton, Hanna, and Noble. The current population of the School Corporation is approximately 7,010.

The most recent audit by the State Board of Accounts was filed on March 9, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 829 2004 - 849 2005 - 860 2006 - 862

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$121,582,530	100.00%	\$2.0292	\$2,791,297	\$427,759
2003	210,598,119 ⁽¹⁾	97.48%	1.2920	2,762,816	606,970
2004	203,478,588	105.71%	1.4299	2,743,695	786,873
2005	197,836,510	107.96%	1.4743	2,576,299	783,993
2006	196,161,880	-In Process-	1.5553	2,731,908 *	781,455 *

* Estimated

(1) Increase due to reassessment.

SOUTH CENTRAL COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Service <u>Fund</u>	Transportation <u>Fund</u>	Replacement <u>Fund</u>	Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,358,981	\$774,208	\$369,781	\$101,160	\$540,663	\$4,064	\$0
Bank & Excise	169,338	96,180	45,702	12,328	66,711	505	0
State Grants	2,765,773	0	0	0	0	0	0
Miscellaneous	<u>1,333,572</u>	<u>354,335</u>	<u>195,960</u>	<u>0</u>	<u>7,504</u>	<u>7,241</u>	<u>0</u>
Total	<u>\$5,627,664</u>	<u>\$1,224,723</u>	<u>\$611,443</u>	<u>\$113,488</u>	<u>\$614,878</u>	<u>\$11,810</u>	<u>\$0</u>
Disbursements	<u>\$5,552,132</u>	<u>\$1,165,860</u>	<u>\$621,941</u>	<u>\$220,408</u>	<u>\$524,388</u>	<u>\$13,703</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,374,702	\$674,797	\$365,646	\$97,296	\$534,797	\$3,727	\$0
Bank & Excise	158,797	78,037	42,285	11,252	62,339	430	0
State Grants	2,730,331	0	0	0	0	1,577	0
Miscellaneous	<u>396,266</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$4,660,096</u>	<u>\$752,834</u>	<u>\$407,931</u>	<u>\$108,548</u>	<u>\$597,136</u>	<u>\$5,734</u>	<u>\$0</u>
Disbursements	<u>\$4,607,400</u>	<u>\$818,363</u>	<u>\$461,500</u>	<u>\$130,000</u>	<u>\$614,581</u>	<u>\$15,137</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. <u>Pre-School</u>	All Other	<u>Total</u>
2002	\$305,569	\$311,690	\$63,387	\$12,297	\$240,903	\$46,956	\$175,103	\$1,155,905
2003	390,800	179,478	50,549	71,700	48,251	56,009	112,758	909,545
2004	160,831	416,926	76,196	146,107	386,255	64,232	91,369	1,341,916
2005	236,364	475,789	65,697	39,187	476,745	62,339	1,065,793	2,421,914

SOUTH CENTRAL COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	-
- This Issue	\$1,000,000
Veterans and Common School Loans	\$59,157
Lease Obligations	<u>\$6,935,000</u>
Total School Corporation Indebtedness	\$7,994,157
Debt as a % of Assessed Valuation (2005 Payable 2006)	4.08%
Total School Corporation Indebtedness Per Capita	\$1,140.39

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Midland Grocery Company	Warehouse	\$15,947,700	8.060%
Midland Grocery Company	Truck Terminal	8,526,720	4.310%
Grand Trunk System	Railroad	2,321,900	1.170%
Grand Trunk Western	Railroad	2,053,290	1.040%
LaPorte County Farm Bureau Assn.	Agriculture	1,917,990	0.970%
LaPorte County Farm Bureau Coop	Agriculture	1,742,300	0.880%
Universal Forest Products	Lumber	1,543,700	0.780%
Universal Forest Products	Lumber	1,328,100	0.670%
Kankakee Valley REMC	Utility	1,214,560	0.610%
A T & T	Utility	936,450	0.470%

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION

General

South Harrison Community School Corporation encompasses approximately 297 square miles in Harrison County, including the Townships of Boone, Harrison, Heth, Posey, Taylor, Washington, and Webster. The current population of the School Corporation is approximately 18,800.

The most recent audit by the State Board of Accounts was filed on March 9, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 3,185 2004 - 3,238 2005 - 3,252 2006 - 3,262

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$547,083,435	89.10%	\$1.6116	\$10,572,727	\$824,080
2003	894,104,115 ⁽¹⁾	102.00%	1.0492	10,934,412	1,137,435
2004	866,761,230	101.63%	1.2565	10,855,533	4,246,088
2005	862,319,235	99.83%	1.4149	11,306,955	4,699,000
2006	893,255,735	- In Process -	1.3641	11,042,360 *	4,514,000 *

* Estimated

(1) Increase due to reassessment.

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>Retirement/ Severance Fund</u>
Receipts:							
Property Taxes	\$5,315,999	\$3,500,267	\$1,164,649	\$149,870	\$2,614,592	\$18,057	\$0
Bank & Excise	691,532	454,419	151,200	19,456	339,437	2,343	0
State Grants	11,233,451	0	0	0	0	73,504	0
Miscellaneous	<u>3,796,335</u>	<u>1,760,720</u>	<u>528,948</u>	<u>0</u>	<u>52</u>	<u>0</u>	<u>0</u>
Total	<u>\$21,037,317.00</u>	<u>\$5,715,406.00</u>	<u>\$1,844,797.00</u>	<u>\$169,326.00</u>	<u>\$2,954,081.00</u>	<u>\$93,904.00</u>	<u>\$0.00</u>
Disbursements	<u>\$21,267,394.00</u>	<u>\$5,020,275.00</u>	<u>\$2,060,857.00</u>	<u>\$160,730.00</u>	<u>\$2,832,949.00</u>	<u>\$41,415.00</u>	<u>\$0.00</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>Retirement/ Severance Fund</u>
Receipts:							
Property Taxes	\$5,972,317	\$2,973,265	\$1,302,104	\$97,468	\$2,729,120	\$18,926	\$0
Bank & Excise	745,835	383,161	167,801	11,585	351,699	2,438	0
State Grants	10,992,368	0	0	0	0	49,992	0
Miscellaneous	<u>29,824</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$17,740,344</u>	<u>\$3,356,426</u>	<u>\$1,469,905</u>	<u>\$109,053</u>	<u>\$3,080,819</u>	<u>\$71,356</u>	<u>\$0</u>
Disbursements	<u>\$17,907,647</u>	<u>\$4,986,931</u>	<u>\$1,447,685</u>	<u>\$136,000</u>	<u>\$3,594,999</u>	<u>\$158,741</u>	<u>\$0</u>

Year End Cash Balances

<u>As of Dec. 31</u>	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Transportation Fund</u>	<u>Bus Replacement Fund</u>	<u>Capital Projects Fund</u>	<u>Special Ed. Pre-School</u>	<u>All Other</u>	<u>Total</u>
2002	\$309,885	\$1,843,182	\$193,618	\$242,172	\$4,343,982	\$90,669	\$1,888,975	\$8,912,483
2003	322,623	1,915,432	217,834	436,775	5,155,848	110,098	2,252,361	10,410,971
2004	615,817	3,330,325	216,060	375,477	4,184,155	109,336	3,753,253	12,584,423
2005	385,740	4,025,456	0	384,073	4,305,288	161,825	3,105,097	12,367,479

SOUTH HARRISON COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$7,000,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$57,135,000</u>
Total School Corporation Indebtedness		<u>\$64,135,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		7.18%
Total School Corporation Indebtedness Per Capita		\$3,411.44

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
RDI/Caesars	Gaming	\$135,785,810	17.960%
Tower Automotive	Auto Parts Manufacturer	25,149,975	3.330%
Wal-Mart Stores Inc.	Retail Store	10,339,320	1.370%
Tyson Foods	Poultry Processing	8,793,860	1.160%
Oxford Automotive	Auto Parts Manufacturer	8,377,740	1.110%
Lynn Enterprises	Equipment	7,665,300	1.010%
Verizon	Telephone company	4,263,600	0.560%
Ventas Realty	Nursing Facilities	4,164,900	0.550%
Mulzer Crushed Stone	Real Estate/Quarry	3,924,400	0.520%
Harrison REMC	Electric Utility	3,214,440	0.430%

SOUTH HENRY SCHOOL CORPORATION

General

South Henry School Corporation encompasses approximately 82 square miles in Henry County, including the Townships of Dudley, Franklin, and Spiceland. The current population of the School Corporation is approximately 4,373.

The most recent audit by the State Board of Accounts was filed on April 20, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 823 2004 - 831 2005 - 818 2006 - 815

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$105,310,490	99.00%	\$1.9492	\$3,551,507	\$680,532
2003	196,342,610 ⁽¹⁾	98.60%	1.0339	3,529,990	537,421
2004	192,178,910	98.00%	1.2186	3,444,318	465,117
2005	190,356,995	100.63%	1.3530	3,400,000	423,990
2006	184,046,445	- In Process -	1.3805	3,363,000 *	371,038 *

* Estimated

(1) Increase due to reassessment.

SOUTH HENRY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,263,230	\$435,084	\$353,182	\$100,509	\$436,235	\$3,453	\$0
Bank & Excise	171,231	58,797	47,053	14,259	58,952	471	0
State Grants	3,375,501	0	0	0	0	10,324	0
Miscellaneous	125,604	684	10,548	166	686	0	0
Total	<u>\$4,935,566</u>	<u>\$494,565</u>	<u>\$410,783</u>	<u>\$114,934</u>	<u>\$495,873</u>	<u>\$14,248</u>	<u>\$0</u>
Disbursements	<u>\$5,545,229</u>	<u>\$864,858</u>	<u>\$616,531</u>	<u>\$194,555</u>	<u>\$1,101,162</u>	<u>\$13,502</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$1,271,025	\$371,038	\$326,314	\$54,846	\$514,226	\$3,313	\$0
Bank & Excise	166,000	55,750	43,500	13,200	55,200	486	0
State Grants	3,351,000	0	0	0	0	12,000	0
Miscellaneous	43,880	0	36,728	0	0	0	0
Total	<u>\$4,831,905</u>	<u>\$426,788</u>	<u>\$406,542</u>	<u>\$58,046</u>	<u>\$569,426</u>	<u>\$15,799</u>	<u>\$0</u>
Disbursements	<u>\$4,773,507</u>	<u>\$448,419</u>	<u>\$425,276</u>	<u>\$118,000</u>	<u>\$676,415</u>	<u>\$20,000</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$6,481	\$253,021	\$47,827	\$56,417	\$189,013	\$27,352	\$102,471	\$682,582
2003	478,423	42,100	50,826	397	364,351	9,956	100,859	1,046,912
2004	672,743	466,338	249,150	218,702	719,650	15,174	67,544	2,409,301
2005	63,079	96,045	43,403	139,080	114,361	15,920	63,493	535,381

SOUTH HENRY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	-
- This Issue	\$800,000
Veterans and Common School Loans	\$3,597,032
Lease Obligations	<u>\$915,000</u>
Total School Corporation Indebtedness	<u>\$5,312,032</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	2.89%
Total School Corporation Indebtedness Per Capita	\$1,214.73

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business or Product</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Draper Shade	Shades	\$5,816,910	3.161%
Milco Dairy	Dairy Farm	2,384,410	1.296%
GW Pierce Auto	Salvage Yard	1,929,170	1.048%
Fairholm Farms	Agriculture	1,907,970	1.037%
Joseph & Anna Yanos	Agriculture	1,145,500	0.622%
W & C Claar	Agriculture	993,830	0.540%
Flying J, Inc.	Truck Plaza	897,880	0.488%
Ag One Co Op	Agricultural Retail	837,360	0.455%
Magiera Seeds	Seed Company	765,730	0.416%
Joseph & Susan Yanos	Agriculture	735,110	0.399%

SOUTH MADISON COMMUNITY SCHOOL CORPORATION

General

South Madison Community School Corporation encompasses approximately 100 square miles in Madison County, including the Townships of Adams, Fall Creek, and Green. The current population of the School Corporation is approximately 20,704.

The most recent audit by the State Board of Accounts was filed on November 23, 2004 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 3,508 2004 - 3,609 2005 - 3,839 2006 - 3,900

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$384,094,506	105.70%	\$2.0433	\$14,208,637	\$2,789,831
2003	714,571,811 ⁽¹⁾	96.30%	1.1966	14,717,747	2,439,849
2004	730,087,826	100.10%	1.3657	14,402,070	3,647,971
2005	747,711,096	103.50%	1.5241	14,115,196	3,803,460
2006	761,607,600	- In Process -	1.6483	14,697,881 *	4,481,087 *

* Estimated

(1) Increase due to reassessment.

SOUTH MADISON COMMUNITY SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$5,336,507	\$3,141,778	\$1,097,301	\$255,366	\$1,569,341	\$13,929	\$368,346
Bank & Excise	801,054	470,595	164,360	38,251	235,066	2,087	55,173
State Grants	13,955,405	0	0	0	0	159,791	0
Miscellaneous	2,232,620	2,000,000	5,169	0	1,871,390	0	0
Total	<u>\$22,325,586</u>	<u>\$5,612,373</u>	<u>\$1,266,830</u>	<u>\$293,617</u>	<u>\$3,675,797</u>	<u>\$175,807</u>	<u>\$423,519</u>
Disbursements	<u>\$25,368,674</u>	<u>\$5,448,505</u>	<u>\$1,200,966</u>	<u>\$276,097</u>	<u>\$4,593,292</u>	<u>\$173,261</u>	<u>\$415,059</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$5,488,906	\$3,643,531	\$967,242	\$320,637	\$1,753,221	\$13,709	\$366,333
Bank & Excise	748,852	497,087	131,961	43,744	239,193	1,870	49,980
State Grants	14,640,090	0	0	0	0	57,791	0
Miscellaneous	223,620	0	0	0	0	0	0
Total	<u>\$21,101,468</u>	<u>\$4,140,618</u>	<u>\$1,099,203</u>	<u>\$364,381</u>	<u>\$1,992,414</u>	<u>\$73,370</u>	<u>\$416,313</u>
Disbursements	<u>\$21,173,975</u>	<u>\$4,051,806</u>	<u>\$1,281,275</u>	<u>\$375,337</u>	<u>\$2,066,473</u>	<u>\$57,334</u>	<u>\$416,894</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$802,136	\$1,034,331	\$61,087	\$71,435	\$2,787,149	\$32,117	\$3,703,127	\$8,491,382
2003	652,717	20,679	(75,523)	30,882	2,020,346	18,841	3,871,399	6,539,341
2004	3,717,047	85,976	159,243	25,262	1,865,574	38,303	3,820,866	9,712,271
2005	673,959	249,846	225,106	42,782	948,079	40,849	6,392,819	8,573,440

SOUTH MADISON COMMUNITY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	\$1,790,000
	- This Issue	\$500,000
Veterans and Common School Loans		\$12,195,528
Lease Obligations		<u>\$39,700,000</u>
Total School Corporation Indebtedness		<u>\$54,185,528</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		7.11%
Total School Corporation Indebtedness Per Capita		\$2,617.15

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Tractor Supply Co.	Farm Equipment Distributor	\$9,972,340	1.310%
Pendleton Place Apartments	Apartment Complex	7,992,700	1.050%
Guide Corporation	Automotive Lighting Parts	6,338,560	0.830%
Light Source Realty Corp.	Real Estate	4,473,400	0.590%
PPS LLC	Real Estate	3,588,600	0.470%
Countryside Manor	Nursing Home	2,340,400	0.310%
Falls Park Plaza	Office Development	1,956,600	0.260%
Taylor Family	Real Estate	1,739,500	0.230%
American Speed Association	Real Estate	1,432,200	0.190%
Graybill Family	Real Estate	1,120,600	0.150%

TRI-CREEK SCHOOL CORPORATION

General

Tri-Creek School Corporation encompasses approximately 170 square miles in Lake County, including the Townships of Lowell and Schneider. The current population of the School Corporation is approximately 17,325.

The most recent audit by the State Board of Accounts was filed on February 14, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 3,367 2004 - 3,440 2005 - 3,539 2006 - 3,618

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$371,390,050	99.20%	\$2.4642	\$12,306,198	\$3,696,740
2003	856,917,525 ⁽¹⁾	61.50% ⁽²⁾	1.2524	13,004,489	3,948,234
2004	874,532,555	51.60%	1.4029	12,597,137	5,818,048
2005	891,203,504	124.00%	1.3713	12,107,223	5,522,026
2006	904,816,359	- In Process -	1.6201	12,281,915 *	5,881,527 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

TRI-CREEK SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$7,112,465	\$7,122,123	\$1,312,229	\$213,433	\$2,173,041	\$19,665	\$226,449
Bank & Excise	287,868	246,573	50,965	8,829	88,036	751	5,367
State Grants	12,040,841	0	0	0	0	66,382	0
Miscellaneous	0	146,753	165,768	0	7,613	0	0
Total	<u>\$19,441,174</u>	<u>\$7,515,449</u>	<u>\$1,528,962</u>	<u>\$222,262</u>	<u>\$2,268,690</u>	<u>\$86,798</u>	<u>\$231,816</u>
Disbursements	<u>\$17,394,701</u>	<u>\$5,383,355</u>	<u>\$1,231,427</u>	<u>\$0</u>	<u>\$1,692,440</u>	<u>\$137,376</u>	<u>\$137,376</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$5,772,728	\$5,551,048	\$1,157,260	\$308,542	\$1,765,297	\$13,572	\$90,482
Bank & Excise	447,397	430,014	89,648	23,902	136,750	1,051	7,010
State Grants	12,219,337	0	0	0	0	66,178	0
Miscellaneous	854,240	0	213,600	0	8,500	0	0
Total	<u>\$19,293,702</u>	<u>\$5,981,062</u>	<u>\$1,460,508</u>	<u>\$332,444</u>	<u>\$1,910,547</u>	<u>\$80,801</u>	<u>\$97,492</u>
Disbursements	<u>\$24,348,224</u>	<u>\$5,744,490</u>	<u>\$2,148,021</u>	<u>\$362,153</u>	<u>\$3,877,962</u>	<u>\$120,000</u>	<u>\$136,937</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All <u>Other</u>	<u>Total</u>
2002	\$2,173,138	\$293,200	\$1,096,281	\$441,803	\$1,953,760	\$63,635	\$2,690,505	\$8,712,322
2003	3,944,057	1,334,675	988,074	242,314	2,276,912	49,807	19,890,173	28,726,012
2004	4,351,991	833,772	637,315	(38,218)	1,422,961	58,826	14,175,576	21,442,223
2005	3,572,980	(644,133)	1,034,864	184,044	1,899,246	8,247	4,636,727	10,691,975

TRI-CREEK SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$1,830,000
- This Issue	\$1,200,000
Veterans and Common School Loans	\$16,108,762
Lease Obligations	<u>\$41,520,000</u>
Total School Corporation Indebtedness	<u>\$60,658,762</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	6.70%
Total School Corporation Indebtedness Per Capita	\$3,501.23

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
NiSource	Natural Gas Utility	\$13,158,590	4.240%
Rieter Automotive	Manufacturer	8,058,930	2.600%
AT&T	Local Phone Provider	5,395,830	1.740%
Saco Industries	Manufacturer	4,814,170	1.550%
Ashland Products	Manufacturer	4,318,720	1.390%
Avery Dennison Corp	Manufacturer	3,683,180	1.190%
FreeV LLC	Real Estate Development	3,367,700	1.090%
Northern Border Pipeline Co	Gas Pipeline Company	2,859,070	0.920%
Karbers Ridge Land Development	Real Estate Development	2,403,300	0.770%
Hamstra Builders	Home Builders	2,195,100	0.710%

TWIN LAKES SCHOOL CORPORATION

General

Twin Lakes School Corporation encompasses approximately 159.5 square miles in White and Carroll Counties, including the Townships of Jackson, Lincoln, Union, and parts of Cass and Liberty (White County), and Adams and Jefferson (Carroll). The current population of the School Corporation is approximately 18,516.

The most recent audit by the State Board of Accounts was filed on December 22, 2004 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 2,650 2004 - 2,570 2005 - 2,610 2006 - 2,621

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$574,341,253	99.67%	\$1.7580	\$8,182,510	\$2,828,202
2003	951,599,656 ^[1]	39.66% ^[2]	1.1294	8,239,328	3,320,252
2004	907,609,462	142.82%	1.2397	8,958,941	3,288,952
2005	901,936,764	106.01%	1.3511	8,374,899	3,250,482
2006	891,600,181	- In Process -	1.3643	7,919,103 *	3,256,583 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

TWIN LAKES SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$6,214,872	\$3,235,787	\$1,101,365	\$215,540	\$1,903,821	\$18,596	\$420,675
Bank & Excise	634,725	328,009	112,347	22,120	193,037	1,902	43,958
State Grants	8,082,676	0	0	0	0	43,363	0
Miscellaneous	579,466	88,844	37,213	6,331	70,674	508	(14,924)
Total	<u>\$15,511,739</u>	<u>\$3,652,640</u>	<u>\$1,250,925</u>	<u>\$243,991</u>	<u>\$2,167,532</u>	<u>\$64,369</u>	<u>\$449,709</u>
Disbursements	<u>\$14,512,847</u>	<u>\$2,867,093</u>	<u>\$1,026,854</u>	<u>\$231,996</u>	<u>\$1,898,563</u>	<u>\$47,171</u>	<u>\$412,938</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$5,933,531	\$2,558,817	\$1,056,440	\$332,001	\$1,871,635	\$16,940	\$373,581
Bank & Excise	642,378	277,024	114,373	35,943	202,628	1,834	40,445
State Grants	7,912,185	0	0	0	0	6,918	0
Miscellaneous	228,600	0	19,847	0	0	0	0
Total	<u>\$14,716,694</u>	<u>\$2,835,841</u>	<u>\$1,190,660</u>	<u>\$367,944</u>	<u>\$2,074,263</u>	<u>\$25,692</u>	<u>\$414,026</u>
Disbursements	<u>\$16,085,630</u>	<u>\$2,891,717</u>	<u>\$1,307,000</u>	<u>\$303,160</u>	<u>\$3,293,567</u>	<u>\$90,000</u>	<u>\$413,337</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	Total
2002	1,674,033	1,473,744	296,234	72,729	1,472,474	55,140	2,247,744	\$7,292,098
2003	1,603,016	125,744	2,028	126,458	974,313	32,239	2,018,485	4,882,283
2004	2,645,425	582,381	470,174	5,606	1,854,250	48,658	1,973,299	7,579,793
2005	3,644,316	1,367,928	694,246	17,601	1,823,219	65,856	2,032,121	9,645,287

TWIN LAKES SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	\$3,405,000
	- This Issue	\$1,900,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$11,907,590</u>
Total School Corporation Indebtedness		<u>\$17,212,590</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		1.93%
Total School Corporation Indebtedness Per Capita		\$929.61

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Ball Metal	Industrial	\$19,546,360	2.150%
McGill	Industrial	13,750,760	1.520%
Walmart	Retail	12,290,100	1.350%
Indiana Beach	Resort	12,246,110	1.350%
Landis	Industrial	9,761,410	1.080%
NiSource	Utility	7,358,580	0.810%
Pineview	Golf Resort	5,809,840	0.640%
Brandywine	Hotel/Conf Center	4,758,030	0.520%
Hubbard	Car dealer	4,030,980	0.440%
Insight	Utility (Comm)	3,455,430	0.380%

UNION TOWNSHIP SCHOOL CORPORATION

General

Union Township School Corporation encompasses approximately 31 square miles in Porter County, including the Township of Union. The current population of the School Corporation is approximately 8,166.

The most recent audit by the State Board of Accounts was filed on January 23, 2006 for the period July 1, 2003 to June 30, 2005. The current audit period for the School Corporation began July 1, 2005 and will conclude on June 30, 2007.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 1,558 2004 - 1,584 2005 - 1,664 2006 - 1,711

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$248,179,040	100.52%	\$2.3422	\$5,085,863	\$1,550,183
2003	469,619,520 ^[1]	79.65% ^[2]	1.2818	5,153,290	1,588,681
2004	469,696,730	114.75%	1.4100	5,256,066	1,668,876
2005	475,770,120	99.29%	1.4958	4,993,392	1,795,952
2006	479,417,010	- In Process -	1.5500	4,996,795 *	1,893,966 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

UNION TOWNSHIP SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$3,277,999	\$1,854,642	\$692,234	\$11,861	\$1,222,298	\$7,097	\$45,209
Bank & Excise	444,238	251,343	93,812	1,608	165,647	962	6,127
State Grants	4,926,272	0	0	0	0	38,186	0
Miscellaneous	<u>876,295</u>	<u>0</u>	<u>2,344</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$9,524,804</u>	<u>\$2,105,985</u>	<u>\$788,390</u>	<u>\$13,469</u>	<u>\$1,387,945</u>	<u>\$46,245</u>	<u>\$51,336</u>
Disbursements	<u>\$9,478,217</u>	<u>\$2,055,985</u>	<u>\$793,912</u>	<u>\$38,160</u>	<u>\$1,392,053</u>	<u>\$40,000</u>	<u>\$58,318</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$3,452,282	\$1,805,964	\$733,987	\$76,227	\$1,300,658	\$8,630	\$53,215
Bank & Excise	371,328	194,249	78,948	8,199	139,899	928	5,724
State Grants	4,980,675	0	0	0	0	16,120	0
Miscellaneous	<u>601,000</u>	<u>0</u>	<u>3,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$9,405,285</u>	<u>\$2,000,213</u>	<u>\$816,435</u>	<u>\$84,426</u>	<u>\$1,440,557</u>	<u>\$25,678</u>	<u>\$58,939</u>
Disbursements	<u>\$9,722,000</u>	<u>\$1,945,754</u>	<u>\$832,420</u>	<u>\$69,040</u>	<u>\$1,411,925</u>	<u>\$45,000</u>	<u>\$58,199</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$800,000	\$150,000	\$25,000	\$25,000	\$40,000	\$15,344	\$1,469,455	\$2,524,799
2003	800,000	150,000	22,515	25,000	45,000	24,655	1,762,088	2,829,258
2004	877,003	200,000	45,000	25,000	76,508	40,140	3,725,936	4,989,587
2005	923,590	250,000	39,478	309	72,400	46,385	3,592,453	4,924,615

UNION TOWNSHIP SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$2,555,000
- This Issue	\$1,095,000
Veterans and Common School Loans	\$975,000
Lease Obligations	<u>\$16,668,495</u>
Total School Corporation Indebtedness	<u>\$21,293,495</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	4.44%
Total School Corporation Indebtedness Per Capita	\$2,607.58

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
NiSource	Electric & Gas Utility	\$3,791,770	0.790%
Verizon North Inc.	Telephone Utility	2,505,170	0.520%
Grand Trunk Western R.R.	Railroad Line	1,772,180	0.370%
Walgreen Co.	Drug Store Warehouse	1,494,770	0.310%
Personal Residence	Residential / Real Estate	1,237,000	0.260%
Personal Residence	Residential / Real Estate	1,126,400	0.240%
Personal Residence	Residential / Real Estate	1,095,500	0.230%
Personal Residence	Residential / Real Estate	965,800	0.200%
Personal Residence	Residential / Real Estate	954,800	0.200%
Waste Management Inc.	Waste Removal	911,400	0.190%

WEST CLARK COMMUNITY SCHOOLS

General

West Clark Community Schools encompasses approximately 250 square miles in Clark County, including the Townships of Carr, Monroe, Silver Creek, Union and Wood. The current population of the School Corporation is approximately 20,833.

The most recent audit by the State Board of Accounts was filed on January 14, 2004 for the period July 1, 2001 to June 30, 2003. The current audit period for the School Corporation began July 1, 2003 and will conclude on June 30, 2005. The audit report should be filed prior to June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 3,344 2004 - 3,492 2005 - 3,600 2006 - 3,700

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$560,048,470	98.61%	\$1.7115	\$10,686,823	\$1,938,406
2003	899,076,550 ^[1]	49.37% ^[2]	1.1803	11,522,991	3,218,648
2004	884,003,430	139.22%	1.5015	11,692,450	3,703,154
2005	864,008,740	101.66%	1.4725	11,795,042	4,085,563
2006	882,151,840	- In Process -	1.5182	12,187,734 *	4,224,563 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 and 2004 tax collections were delayed and subsequently will be collected in 2005 due to the timing issues caused by the General Reassessment of taxable property.

WEST CLARK COMMUNITY SCHOOLS (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$6,016,268	\$3,440,311	\$1,193,890	\$218,790	\$2,274,935	\$18,007	\$0
Bank & Excise	803,447	441,728	151,777	28,111	314,147	2,403	0
State Grants	11,675,686	0	0	0	0	119,356	0
Miscellaneous	<u>173,026</u>	<u>0</u>	<u>35,000</u>	<u>0</u>	<u>0</u>	<u>100,000</u>	<u>0</u>
Total	<u>\$18,668,427</u>	<u>\$3,882,039</u>	<u>\$1,380,667</u>	<u>\$246,901</u>	<u>\$2,589,082</u>	<u>\$239,766</u>	<u>\$0</u>
Disbursements	<u>\$18,552,348</u>	<u>\$4,194,451</u>	<u>\$1,511,689</u>	<u>\$260,000</u>	<u>\$2,466,657</u>	<u>\$271,760</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$6,302,046	\$3,723,434	\$1,391,457	\$172,091	\$2,364,187	\$18,405	\$0
Bank & Excise	837,773	496,032	184,976	22,612	319,836	2,447	0
State Grants	12,063,259	0	0	0	0	124,475	0
Miscellaneous	<u>176,226</u>	<u>0</u>	<u>20,000</u>	<u>0</u>	<u>0</u>	<u>217,141</u>	<u>0</u>
Total	<u>\$19,379,304</u>	<u>\$4,219,466</u>	<u>\$1,596,433</u>	<u>\$194,703</u>	<u>\$2,684,023</u>	<u>\$362,468</u>	<u>\$0</u>
Disbursements	<u>\$19,200,000</u>	<u>\$4,309,653</u>	<u>\$1,587,273</u>	<u>\$210,000</u>	<u>\$3,375,901</u>	<u>\$463,500</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$1,788,080	\$1,208,814	\$115,587	\$24,853	\$881,138	\$42,488	\$4,621,459	\$8,682,419
2003	1,646,362	803,276	(34,607)	73,929	792,993	52,020	2,420,423	5,754,396
2004	357,896	986,690	403	13,388	130,802	146,678	940,140	2,575,997
2005	473,975	674,278	(128,986)	289	253,227	114,684	940,140	2,327,607

WEST CLARK COMMUNITY SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$6,000,000
Veterans and Common School Loans		\$549,666
Lease Obligations		<u>\$50,260,000</u>
Total School Corporation Indebtedness		<u>\$56,809,666</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		6.44%
Total School Corporation Indebtedness Per Capita		\$2,726.91

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Thomas Koetter	Woodworking Mfg.	\$9,726,380	1.130%
ESSROC Materials, Inc.	Cement Mfg.	8,812,200	1.020%
Metal Sales Mfg.	Metal Product Mfg.	5,118,280	0.590%
Koetter Woodworking	Woodworking Mfg.	4,445,300	0.510%
S.I. Acquisition, Inc.	Real Estate Develop.	4,298,200	0.500%
Grand RDC Partnership	Real Estate Develop.	3,812,200	0.440%
Kimball International	Office Furniture Mfg.	3,261,300	0.380%
Covered Bridge G.C.	Golf Course	2,883,400	0.330%
Sellersburg, LLC	Real Estate Develop.	2,795,400	0.320%
SWD, Inc.	Real Estate Develop.	2,778,300	0.320%

WESTVIEW SCHOOL CORPORATION

General

Westview School Corporation encompasses approximately 184 square miles in La Grange County, including the Townships of Clearspring, Eden, Newbury, and Van Buren. The current population of the School Corporation is approximately 18,460.

The most recent audit by the State Board of Accounts was filed on January 6, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 2,214 2004 - 2,203 2005 - 2,264 2006 - 2,231

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$458,920,097	101.35%	\$1.6929	\$8,034,581	\$1,904,764
2003	690,625,079 ^[1]	34.09% ^[2]	1.3557	8,133,744	1,985,088
2004	725,692,526	88.26% ^[2]	1.3315	8,143,444	2,065,297
2005	710,048,214	173.94%	1.4063	7,732,237	2,110,209
2006	733,820,060	- In Process -	1.5083	7,334,803 *	2,276,000 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 and 2004 tax collections were delayed and subsequently collected in 2005 due to the timing issues caused by the General Reassessment of taxable property.

WESTVIEW SCHOOL CORPORATION (Continued)

**Unaudited Receipts & Disbursements
Calendar Year 2005**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$8,583,342	\$3,832,582	\$1,766,599	\$406,991	\$2,752,755	\$26,328	\$0
Bank & Excise	358,759	207,928	94,226	21,108	135,056	1,130	0
State Grants	7,673,630	0	0	0	0	20,129	0
Miscellaneous	<u>500,386</u>	<u>88,278</u>	<u>41,217</u>	<u>7,765</u>	<u>55,649</u>	<u>544</u>	<u>0</u>
Total	<u>\$17,116,117</u>	<u>\$4,128,788</u>	<u>\$1,902,042</u>	<u>\$435,864</u>	<u>\$2,943,460</u>	<u>\$48,131</u>	<u>\$0</u>
Disbursements	<u>\$14,708,959</u>	<u>\$3,797,457</u>	<u>\$1,743,681</u>	<u>\$399,000</u>	<u>\$2,494,823</u>	<u>\$9,804</u>	<u>\$0</u>

**Anticipated Receipts & Disbursements
Calendar Year 2006 Budget**

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$5,564,426	\$2,247,920	\$1,112,121	\$252,824	\$2,326,594	\$16,804	\$0
Bank & Excise	325,165	131,361	64,988	14,774	135,958	981	0
State Grants	7,318,681	0	0	0	0	16,122	0
Miscellaneous	<u>49,200</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$13,257,472</u>	<u>\$2,379,281</u>	<u>\$1,177,109</u>	<u>\$267,598</u>	<u>\$2,462,552</u>	<u>\$33,907</u>	<u>\$0</u>
Disbursements	<u>\$15,344,685</u>	<u>\$2,379,281</u>	<u>\$1,177,109</u>	<u>\$267,598</u>	<u>\$2,462,552</u>	<u>\$33,907</u>	<u>\$0</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School <u>Fund</u>	All Other	Total
2002	\$3,491,839	\$866,827	\$346,267	\$10,770	\$2,463,101	\$9,309	\$761,703	\$7,949,816
2003	1,351,755	0	0	0	899,881	0	863,108	3,114,744
2004	985,584	917,197	219,884	57,157	1,794,745	2,675	784,971	4,762,213
2005	3,392,742	1,248,528	378,245	94,021	2,243,382	41,002	570,624	7,968,544

WESTVIEW SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding	-
	- This Issue	\$3,220,000
Veterans and Common School Loans		\$0
Lease Obligations		<u>\$19,597,396</u>
Total School Corporation Indebtedness		<u>\$22,817,396</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		3.11%
Total School Corporation Indebtedness Per Capita		\$1,236.05

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
MZTT	Recreational Vehicle Mfg.	\$11,572,600	1.580%
Trading Places	Retail Mall & Auction	9,335,100	1.270%
Redman Homes	Modular Home Mfg.	8,999,200	1.230%
Forest River	Recreational Vehicle Mfg.	6,617,700	0.900%
Starcraft RV	Recreational Vehicle Mfg.	5,224,000	0.710%
Nishikawa Standard	Rubber Weather Stripping Mfg	4,887,600	0.670%
Starcraft Marine	Power Boat Mfg.	4,642,100	0.630%
Blue Gate	Retail Mall	3,870,900	0.530%
Patriot	Modular Home Mfg.	2,925,100	0.400%
DS Corp.	Recreational Vehicle Mfg.	2,721,900	0.370%

WHITE RIVER VALLEY SCHOOL CORPORATION

General

White River Valley School Corporation encompasses approximately 220 square miles in Greene County, including the Townships of Cass, Fairplay, Grant, Jefferson, Smith, Stafford, and Washington. The current population of the School Corporation is approximately 5,915.

The most recent audit by the State Board of Accounts was filed on February 17, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 957 2004 - 926 2005 - 931 2006 - 920

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$178,000,000	98.80%	\$1.8941	\$2,997,732	\$4,274,298
2003	187,000,000 ⁽¹⁾	93.10% ⁽²⁾	1.6057	2,900,524	5,206,341
2004	200,000,000	99.90%	1.6861	3,082,085	4,512,789
2005	280,000,000	93.70% ⁽³⁾	1.7770	3,315,173	3,735,050
2006	280,000,000	- In Process -	1.8673	3,387,840 *	2,944,621 *

* Estimated

(1) Increase due to reassessment.

(2) Tax collection variances associated with periodic delinquencies by several local payers. Delinquencies will be recovered through subsequent collections or through the tax sale process.

(3) Final settlement of 2005 tax collections by the County Auditor occurred in January 2006.

WHITE RIVER VALLEY SCHOOL CORPORATION (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$3,737,923	\$707,848	\$668,173	\$79,278	\$1,103,309	\$6,666	\$29,130
Bank & Excise	355,585	384,235	60,601	7,494	98,697	599	360
State Grants	3,315,173	0	0	0	0	9,128	0
Miscellaneous	<u>308,741</u>	<u>2,300</u>	<u>1,541</u>	<u>183</u>	<u>2,510</u>	<u>16</u>	<u>8</u>
Total	<u>\$7,717,422</u>	<u>\$1,094,383</u>	<u>\$730,315</u>	<u>\$86,955</u>	<u>\$1,204,516</u>	<u>\$16,409</u>	<u>\$29,498</u>
Disbursements	<u>\$7,793,467</u>	<u>\$858,446</u>	<u>\$473,757</u>	<u>\$41,666</u>	<u>\$753,824</u>	<u>\$16,500</u>	<u>\$64,983</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$2,850,000	\$650,000	\$675,000	\$175,000	\$1,000,000	\$50,000	\$400,000
Bank & Excise	219,599	32,206	34,543	3,201	52,822	6,475	12,954
State Grants	3,393,667	0	0	0	0	0	0
Miscellaneous	<u>183,500</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total	<u>\$6,646,766</u>	<u>\$682,206</u>	<u>\$709,543</u>	<u>\$178,201</u>	<u>\$1,052,822</u>	<u>\$56,475</u>	<u>\$412,954</u>
Disbursements	<u>\$6,577,338</u>	<u>\$730,238</u>	<u>\$740,600</u>	<u>\$137,333</u>	<u>\$889,080</u>	<u>\$57,035</u>	<u>\$392,477</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	<u>Total</u>
2002	(\$308,405)	\$111,948	\$127,506	\$0	\$754,789	\$40,953	\$5,950,479	\$6,677,270
2003	(376,901)	(505,566)	(121,693)	(52,425)	472,061	22,531	4,540,186	3,978,193
2004	14,422	104,711	31,950	(19,530)	748,896	30,758	5,322,691	6,233,898
2005	68,821	(5,155)	(99,168)	8,885	1,079,741	21,384	5,342,643	6,417,151

WHITE RIVER VALLEY SCHOOL CORPORATION (Continued)

Current School Corporation Indebtedness

General Obligation Bonds	- Now Outstanding (2002 Pension)	\$1,129,000
	- This Issue	\$2,250,000
Veterans and Common School Loans		-
Lease Obligations		<u>\$1,650,000</u>
Total School Corporation Indebtedness		<u>\$5,029,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)		1.85%
Total School Corporation Indebtedness Per Capita		\$850.21

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 <u>Assessed</u> <u>Valuation</u>	% of 2005/2006 <u>Total Assessed</u> <u>Valuation</u>
Hoosier Energy	Power Company	\$19,255,880	7.062%
Vectren	Natural Gas Company	16,949,650	6.226%
Pioneer Hi-Bred	Seed Corn Company	8,894,180	3.266%
Heartland Pork	Pork Producer	3,768,200	1.384%
Griffin Industries	Tankage	3,746,580	1.376%
Valley Implement	Retail for Farm Equipment	1,828,800	0.672%
Countrymark Co-op	Fuel	1,222,170	0.449%
Cropmate	Fertilizer	1,203,480	0.442%
White River Co-op	Agriculture Supplies	864,210	0.317%
Wickes Lumber	Lumber	839,350	0.308%

WHITLEY COUNTY CONSOLIDATED SCHOOLS

General

Whitley County Consolidated Schools encompasses approximately 224 square miles in Whitley County, including the Townships of Columbia, Union, Thorncreek, Washington, Etna Troy, and Jefferson. The current population of the School Corporation is approximately 20,462.

The most recent audit by the State Board of Accounts was filed on January 4, 2005 for the period July 1, 2002 to June 30, 2004. The current audit period for the School Corporation began July 1, 2004 and will conclude on June 30, 2006.

Past (2003-2004) and projected (2006-2007) enrollments are:

2003 - 3,614 2004 - 3,588 2005 - 3,612 2006 - 3,625

Selected Statistical Information

<u>Tax Payment Year</u>	<u>Assessed Valuation</u>	<u>Tax Collections</u>	<u>Total School Tax Rate</u>	<u>State Aid</u>	<u>Total Debt Service</u>
2002	\$630,458,420	100.60%	\$1.9300	\$12,803,945	\$3,280,157
2003	1,026,439,405 ⁽¹⁾	67.40% ⁽²⁾	1.3844	12,879,617	3,970,515
2004	993,651,710	105.50%	1.5134	12,860,797	4,038,241
2005	973,592,075	121.80%	1.6261	12,852,879	4,646,986
2006	978,330,890	- In Process -	1.7067	12,483,557 *	4,586,821 *

* Estimated

(1) Increase due to reassessment.

(2) The 2003 tax collections were delayed and subsequently collected in 2004 due to the timing issues caused by the General Reassessment of taxable property.

WHITLEY COUNTY CONSOLIDATED SCHOOLS (Continued)

Unaudited Receipts & Disbursements Calendar Year 2005

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$9,336,259	\$4,565,113	\$1,604,148	\$419,748	\$2,757,605	\$23,954	\$572,111
Bank & Excise	1,418,762	687,930	243,119	62,715	411,342	3,603	71,476
State Grants	12,751,351	0	0	0	0	101,528	0
Miscellaneous	<u>775,822</u>	<u>0</u>	<u>59,189</u>	<u>0</u>	<u>17,133</u>	<u>0</u>	<u>0</u>
Total	<u>\$24,282,194</u>	<u>\$5,253,043</u>	<u>\$1,906,456</u>	<u>\$482,463</u>	<u>\$3,186,080</u>	<u>\$129,085</u>	<u>\$643,587</u>
Disbursements	<u>\$22,256,425</u>	<u>\$4,260,395</u>	<u>\$1,407,200</u>	<u>\$437,640</u>	<u>\$4,432,733</u>	<u>\$105,004</u>	<u>\$386,591</u>

Anticipated Receipts & Disbursements Calendar Year 2006 Budget

	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	Retirement/ Severance <u>Fund</u>
Receipts:							
Property Taxes	\$8,001,768	\$3,815,490	\$1,407,818	\$259,258	\$2,835,203	\$19,567	\$358,069
Bank & Excise	951,643	453,662	167,390	29,313	337,338	2,327	42,575
State Grants	12,483,557	0	0	0	0	64,705	0
Miscellaneous	<u>524,902</u>	<u>0</u>	<u>86,100</u>	<u>0</u>	<u>13,000</u>	<u>0</u>	<u>0</u>
Total	<u>\$21,961,870</u>	<u>\$4,269,152</u>	<u>\$1,661,308</u>	<u>\$288,571</u>	<u>\$3,185,541</u>	<u>\$86,599</u>	<u>\$400,644</u>
Disbursements	<u>\$23,497,326</u>	<u>\$4,199,607</u>	<u>\$1,682,013</u>	<u>\$310,357</u>	<u>\$3,217,433</u>	<u>\$153,669</u>	<u>\$153,669</u>

Year End Cash Balances

As of <u>Dec. 31</u>	General <u>Fund</u>	Debt Service <u>Fund</u>	Transportation <u>Fund</u>	Bus Replacement <u>Fund</u>	Capital Projects <u>Fund</u>	Special Ed. Pre-School	All Other	Total
2002	\$2,222,891	\$1,703,480	\$284,233	\$42,840	\$1,023,315	\$1,954	\$654,024	\$5,932,737
2003	4,945,391	2,203,573	382,620	(21,541)	2,381,708	61,002	3,126,243	13,078,996
2004	1,139,477	832,313	140,687	58	2,225,690	114,535	2,950,541	7,403,301
2005	2,388,524	1,893,276	504,835	44,881	979,037	138,616	4,207,341	10,156,510

WHITLEY COUNTY CONSOLIDATED SCHOOLS (Continued)

Current School Corporation Indebtedness

General Obligation Bonds - Now Outstanding	\$3,760,000
- This Issue	\$2,500,000
Veterans and Common School Loans	-
Lease Obligations	<u>\$43,420,000</u>
Total School Corporation Indebtedness	<u>\$49,680,000</u>
Debt as a % of Assessed Valuation (2005 Payable 2006)	5.08%
Total School Corporation Indebtedness Per Capita	\$2,427.92

Ten Largest Taxpayers

<u>Taxpayer</u>	<u>Business</u>	2005 Pay 2006 Assessed <u>Valuation</u>	% of 2005/2006 Total Assessed <u>Valuation</u>
Steel Dynamics	Manufacturer	\$65,038,440	20.970%
C&A Tool Eng	Manufacturer	6,884,445	2.220%
Flagship Properties	Real Estate	5,929,806	1.910%
Fort Wayne Foundry	Manufacturer	5,766,344	1.860%
Hamstra Builders	Real Estate Develop	5,289,800	1.710%
AutoiLiv ASP	Manufacturer	4,951,822	1.600%
Butler Mill Svce	Manufacturer	4,180,890	1.350%
S V Venture	Grocery/Strip Mall	4,108,390	1.320%
Scottsdale Springs LTD	Shopping Ctr	3,819,100	1.230%
Praxair Leased Equipment	Equipment Rental	3,619,720	1.170%

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APPENDIX B
DEFINITIONS

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The following are definitions of certain of the terms used in this Official Statement and defined in the Indenture:

“Accounts” means the accounts created under the Indenture.

“Act” means the provisions of Indiana Code 5-1.5.

“Authorized Officer” means the Chairman, Vice Chairman or Executive Director of the Bond Bank or such other person or persons who are duly authorized to act on behalf of the Bond Bank.

“Bankruptcy Code” means the Bankruptcy Reform Act of 1978, as amended from time to time.

“Bond Bank” means the Indiana Bond Bank, a body corporate and politic, not a state agency, but an independent public instrumentality of the State exercising essential public functions, or any successor to its functions.

“Bondholder” or “holder of Bonds” or “owner of Bonds” or any similar term means the registered owner of any Bond.

“Bond Insurance Policy” means the municipal bond new issue insurance policy issued by the Bond Insurer that guarantees the payment of the principal of, and interest on, the Bonds as provided therein.

“Bond Insurer” means XL Capital Assurance Inc., or any successor thereto.

“Bond Issuance Expense Account” means the account by that name created under the Indenture.

“Bonds” means the Bond Bank’s Taxable School Severance Funding Bonds Series 11 and any Refunding Bonds.

“Cash Flow Certificate” means a certificate prepared by an accountant or firm of accountants in accordance with the Indenture concerning anticipated Revenues and payments.

“Clearing Agency” means initially The Depository Trust Company, and its successors and assigns, including any surviving, resulting or transferee corporation, or any successor corporation that may be appointed in a manner consistent with the Indenture and will include any direct or indirect participants of The Depository Trust Company.

“Code” means the Internal Revenue Code of 1986 in effect on the date of issuance of the Bonds, and the applicable regulations or rulings promulgated or proposed thereunder, and any successor thereto.

“Costs of Issuance” means items of expense payable or reimbursable directly or indirectly by the Bond Bank and related to the authorization, sale and issuance of Bonds, which items of expense will include, but not be limited to, printing costs, costs of reproducing

documents, filing and recording fees, initial fees and charges of the Trustee, underwriters' discounts, legal fees and charges, professional consultants' fees, costs of credit ratings, fees and charges for execution, transportation and safekeeping of Bonds, bond or reserve fund insurance premiums, credit enhancements (including Credit Facilities) or liquidity facility fees, and other costs, charges and fees in connection with the foregoing.

"Counsel" means an attorney duly admitted to practice law before the highest court of any state and approved by the Bond Bank.

"Credit Facility" means any letter of credit, revolving credit agreement, surety bond, insurance policy or other agreement or instrument.

"Credit Provider" means the issuer of any Credit Facility and its successor in such capacity and their assigns. To qualify under the Indenture, the Credit Provider providing such Credit Facility will be either:

- (i) an insurer whose municipal bond insurance policies insuring the payment, when due, of the principal of and interest on municipal bond issues results in such issues being rated in a rating category that is at least as high as the rating assigned to the Bonds by the rating agency or agencies rating the Bonds; or

- (ii) a bank or trust company which at the time of issuance of such Credit Facility has an outstanding, unsecured, uninsured and unguaranteed debt issue rated in a rating category that is at least as high as the rating assigned to the Bonds by the rating agency or agencies rating the Bonds.

"Default" means an event or condition, the occurrence of which, with the lapse of time or the giving of notice or both, would become an Event of Default under the Indenture.

"Event of Default" means any occurrence of an event specified as such in the Indenture.

"Fees and Charges" means fees and charges established by the Bond Bank from time to time pursuant to the Act which are payable by the Qualified Entities.

"Fiscal Year" means the twelve-month period from July 1 through the following June 30.

"Funds" means the funds created under the Indenture.

"General Account" means the account by that name created under the Indenture.

"General Fund" means the fund by that name created under the Indenture.

"Governmental Obligations" means (a) direct obligations of (including obligations issued or held in book-entry form on the books of) the Department of Treasury of the United States of America or (b) senior debt obligations of other government sponsored agencies approved by the Bond Insurer.

“Indenture” means the Trust Indenture, dated as of June 1, 2006, between the Bond Bank and the Trustee, and all supplements and amendments entered into thereunder.

“Interest Payment Date” means any date on which interest is payable on the Bonds.

“Investment Earnings” means earnings and profits (after consideration of any accrued interest paid and/or amortization of premiums or discount on the investment) on the moneys in the Funds and Accounts established under the Indenture.

“Investment Securities” means any of the following: (a) Governmental Obligations; (b) obligations of any of the following federal agencies, which obligations represent the full faith and credit of the United States of America, including: Export-Import Bank; Farm Credit System Financial Assurance Corporation; Rural Economic Community Development Administration (formerly the Farmers Home Administration); General Services Administration; United States Maritime Administration; Small Business Administration; Government National Mortgage Association (“GNMA”); United States Department of Housing and Urban Development (“PHAs”); Federal Housing Administration; and Federal Financing Bank; (c) direct obligations of any of the following federal agencies, which obligations are not fully guaranteed by the full faith and credit of the United States of America: senior debt obligations rated “AAA” by S&P issued by the Federal National Mortgage Association (“FNMA”) or Federal Home Loan Mortgage Corporation (“FHLMC”); obligations of the Resolution Funding Corporation (“REFCORP”); senior debt obligations of the Federal Home Loan Bank System; and senior debt obligations of other government sponsored agencies approved by the Bond Insurer; (d) United States dollar denominated accounts, federal funds and bankers’ acceptances with domestic commercial banks, which have a rating on their short term certificates of deposit on the date of purchase of “AA-” or “A-1+” by S&P and maturing no more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank); (e) commercial paper which is rated at the time of purchase in the single highest classification, “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase; (f) investments in a money market fund rated “AAAm-G,” “AAA-m,” “AA-m” or better by S&P which fund may be a fund of the Trustee; (g) “Pre-refunded Municipal Obligations” defined as follows: any obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state, which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (A) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in one of the two highest rating categories of S&P or any successors thereto; or (B)(i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Governmental Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the obligations described in this clause (B) on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate; (h) municipal obligations rated “Aaa/AAA” or general obligations of states with a rating of at least “AA-” or higher by S&P; (i) investment agreements

supported by appropriate opinions of counsel; and (j) other forms of investments (including repurchase agreements) approved in writing by the Bond Insurer.

“Opinion of Bond Counsel” means an Opinion of Counsel by a nationally recognized firm experienced in matters relating to obligations of states and their instrumentalities and political subdivisions and which is acceptable to the Bond Bank and the Trustee.

“Opinion of Counsel” means a written opinion of Counsel addressed to the Trustee, for the benefit of the owners of the Bonds, who may (except as otherwise expressly provided in the Indenture) be Counsel to the Bond Bank or Counsel to the owners of the Bonds and who is acceptable to the Trustee.

“Outstanding” or “Bonds Outstanding” means all Bonds which have been authenticated and delivered by the Trustee under the Indenture, including Bonds held by the Bond Bank, except:

- (i) Bonds canceled after purchase in the open market or because of payment at or redemption prior to maturity;
- (ii) Bonds deemed paid under the Indenture; and
- (iii) Bonds in lieu of which other Bonds have been authenticated under the Indenture.

“Principal Payment Date” means the maturity date or the mandatory sinking fund redemption date of any Bond.

“Program” means the program for purchasing Qualified Obligations by the Bond Bank pursuant to the Act.

“Program Expenses” means all of the fees and expenses of the Trustee, to the extent properly allocable to the Program.

“Purchase Agreement” means a Qualified Entity Purchase Agreement between the Bond Bank and a Qualified Entity, pursuant to which one or more Qualified Obligations are sold to the Bond Bank.

“Qualified Entity” means an entity defined in Indiana Code 5-1.5-1-8, as amended from time to time, which is a school corporation.

“Qualified Obligation” means a Security (as that term is defined in the Act), which has been acquired by the Bond Bank pursuant to the Indenture and is a general obligation of a Qualified Entity.

“Qualified Obligation Interest Payment” means that portion of a Qualified Obligation Payment which represents the interest due or to become due on a Qualified Obligation held by the Trustee pursuant to the Indenture.

“Qualified Obligation Payment” means the amounts paid or required to be paid, from time to time, for the principal of and interest on a Qualified Obligation held by the Trustee pursuant to the Indenture.

“Qualified Obligation Principal Payment” means that portion of a Qualified Obligation Payment which represents the principal due or to become due on a Qualified Obligation held by the Trustee pursuant to the Indenture.

“Rating Reserve Fund” means the fund by that name created under the Indenture.

“Rating Reserve Requirement” means \$119,000, with respect to the Bonds, all of which is allocable to Merrillville Community School Corporation, and, with respect to any Additional Bonds, the amount set forth in any supplemental indenture authorizing such obligation.

“Record Date” means, with respect to any Interest Payment Date, the last day of the month next preceding such Interest Payment Date.

“Redemption Account” means the account by that name created under the Indenture.

“Redemption Price” means, with respect to any Bond, the principal amount thereof, plus the applicable premium, if any, payable upon redemption prior to maturity.

“Refunding Bonds” means Bonds issued pursuant to the Indenture and any Supplemental Indenture.

“Revenues” means the Funds and Accounts and all income, revenues and profits of the Funds and Accounts referred to in the granting clauses of the Indenture including, without limitation, all Qualified Obligation Payments.

“S&P” means Standard & Poor’s Ratings Services, a Division of The McGraw-Hill Companies, or any successor thereto.

“Series of Bonds” or “Bonds of a Series” or “Series” or words of similar meaning means any Series of Bonds authorized by the Indenture or by a Supplemental Indenture.

“State” means the State of Indiana.

“Supplemental Indenture” means an indenture supplemental to or amendatory of the Indenture, executed by the Bond Bank and the Trustee in accordance with the Indenture.

“Trustee” means The Bank of New York Trust Company, N.A., Indianapolis, Indiana, Indianapolis, Indiana.

“Trust Estate” means the property, rights, and amounts pledged and assigned to the Trustee pursuant to the granting clause of the Indenture.

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APPENDIX C

FORM OF BOND COUNSEL OPINION

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Upon delivery of the Bonds, Ice Miller LLP, bond counsel,
proposes to deliver an opinion in substantially the following form:

June 15, 2006

City Securities Corporation,
as representative of the purchasers
Indianapolis, IN

Indiana Bond Bank
Indianapolis, Indiana

Re: Indiana Bond Bank Taxable School Severance Funding Bonds Series 11
("Bonds"); Total Issue: \$121,670,000

Ladies and Gentlemen:

We have acted as bond counsel in connection with the issuance by the Bond Bank ("Issuer") of its Bonds, dated June 15, 2006, in the aggregate principal amount of \$121,670,000 pursuant to a Trust Indenture, dated as of June 1, 2006 ("Indenture"), between the Issuer and The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as Trustee, Registrar and Paying Agent. We have examined the law and the certified transcript of proceedings of the Issuer had relative to the authorization, issuance and sale of the Bonds and such other papers as we deem necessary to render this opinion. We have relied upon the certified transcript of proceedings and other certificates of public officials and we have not undertaken to verify any facts by independent investigation.

Based upon our examination, we are of the opinion, as of the date hereof, as follows:

1. The Bonds are valid and binding limited obligations of the Issuer enforceable in accordance with their respective terms and are payable from and secured only by the Trust Estate (as defined in the Indenture).
2. The Indenture is a valid and binding agreement of the Bond Bank, enforceable in accordance with its terms. The Indenture creates the valid pledge which it purports to create of the Trust Estate, subject to application to the purposes and on the conditions permitted by the Indenture.
3. Under statutes, decisions, regulations and rulings existing on this date, interest on the Bonds is exempt from income taxation in the State of Indiana ("State"). This opinion relates only to the exemption of interest on the Bonds from State income taxes.

It is to be understood that the rights of the owners of the Bonds and the enforceability thereof and of the Indenture may be subject to (i) the valid exercise of the constitutional powers

of the Issuer, the State and the United States of America and (ii) bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights heretofore or hereafter enacted and that their enforcement may be subject to the exercise of judicial discretion in accordance with general principles of equity.

Very truly yours,

APPENDIX D

SPECIMEN BOND INSURANCE POLICY

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**MUNICIPAL BOND
INSURANCE POLICY****ISSUER:** []**Policy No:** []**BONDS:** []**Effective Date:** []

XL Capital Assurance Inc. (XLCA), a New York stock insurance company, in consideration of the payment of the premium and subject to the terms of this Policy (which includes each endorsement attached hereto), hereby agrees unconditionally and irrevocably to pay to the trustee (the "Trustee") or the paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the benefit of the Owners of the Bonds or, at the election of XLCA, to each Owner, that portion of the principal and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment.

XLCA will pay such amounts to or for the benefit of the Owners on the later of the day on which such principal and interest becomes Due for Payment or one (1) Business Day following the Business Day on which XLCA shall have received Notice of Nonpayment (provided that Notice will be deemed received on a given Business Day if it is received prior to 10:00 a.m. New York time on such Business Day; otherwise it will be deemed received on the next Business Day), but only upon receipt by XLCA, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in XLCA. Upon such disbursement, XLCA shall become the owner of the Bond, any appurtenant coupon to the Bond or the right to receipt of payment of principal and interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by XLCA hereunder. Payment by XLCA to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of XLCA under this Policy.

In the event the Trustee or Paying Agent has notice that any payment of principal or interest on a Bond which has become Due for Payment and which is made to an Owner by or on behalf of the Issuer of the Bonds has been recovered from the Owner pursuant to a final judgment by a court of competent jurisdiction that such payment constitutes an avoidable preference to such Owner within the meaning of any applicable bankruptcy law, such Owner will be entitled to payment from XLCA to the extent of such recovery if sufficient funds are not otherwise available.

The following terms shall have the meanings specified for all purposes of this Policy, except to the extent such terms are expressly modified by an endorsement to this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment", when referring to the principal of Bonds, is when the stated maturity date or a mandatory redemption date for the application of a required sinking fund installment has been reached and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by application of required sinking fund installments), acceleration or other advancement of maturity, unless XLCA shall elect, in its sole discretion, to pay such principal due upon such acceleration; and, when referring to interest on the Bonds, is when the stated date for payment of interest has been reached. "Nonpayment" means the failure of the Issuer to have provided sufficient funds to the Trustee or Paying Agent for payment in full of all principal and interest on the Bonds which are Due for Payment. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to XLCA which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

XLCA may, by giving written notice to the Trustee and the Paying Agent, appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy. From and after the date of receipt by the Trustee and the Paying Agent of such notice, which shall specify the name and notice address of the Insurer's Fiscal Agent, (a) copies of all notices required to be delivered to XLCA pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to XLCA and shall not be deemed received until received by both and (b) all payments required to be made by XLCA under this Policy may be made directly by XLCA or by the Insurer's Fiscal Agent on behalf of XLCA. The Insurer's Fiscal Agent is the agent of XLCA only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of XLCA to deposit or cause to be deposited sufficient funds to make payments due hereunder.

Except to the extent expressly modified by an endorsement hereto, (a) this Policy is non-cancelable by XLCA, and (b) the Premium on this Policy is not refundable for any reason. This Policy does not insure against loss of any prepayment or other acceleration payment which at any time may become due in respect of any Bond, other than at the sole option of XLCA, nor against any risk other than Nonpayment. This Policy sets forth the full undertaking of XLCA and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto.

THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, XLCA has caused this Policy to be executed on its behalf by its duly authorized officers.

Name:
Title:

Name:
Title:

APPENDIX E

SUMMARY OF CERTAIN LEGAL DOCUMENTS

E-1 Summary of Certain Provisions of the Indenture

E-2 Form of Qualified Entity Purchase Agreement

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APPENDIX E-1

SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

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SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE

The following is a summary of certain additional provisions of the Indenture not otherwise discussed in this Official Statement. This summary is qualified in its entirety by reference to the Indenture. Capitalized terms in this summary not defined in this Official Statement shall have the meanings set forth in the Indenture.

Revenues, Funds And Accounts**A. Creation of Funds and Accounts.**

The Indenture establishes the following Funds and Accounts to be held by the Trustee:

1. General Fund-comprised of the following:

- (a) General Account
- (b) Redemption Account
- (c) Bond Issuance Expense Account

2. Rating Reserve Fund

B. Deposit of Net Proceeds of Bonds, Revenues and Other Receipts.

The Trustee will deposit the proceeds (net of Underwriters' discount) from the sale of the Bonds, as follows:

- (a) Into the Bond Issuance Expense Account an amount sufficient to pay the Costs of Issuance (other than Underwriters' discount and the premium for bond insurance paid by the Underwriters directly to the Bond Insurer); and
- (b) Into the General Account, the remainder of the net proceeds, a portion of which will be used in purchasing the Qualified Obligations and the remainder of which will be used to pay a portion of the interest due on the Bonds through and including January 15, 2007.

The Trustee will deposit all Revenues and all other receipts (except the proceeds of the Bonds to be deposited in the Bond Issuance Expense Account and moneys received upon the sale or optional redemption prior to maturity of Qualified Obligations) into the General Account.

The Trustee will deposit the proceeds of any Refunding Bonds in the manner provided in the Supplemental Indenture authorizing the issuance thereof.

Operation of Funds and Accounts

C. General Fund.

1. General Account. The Trustee will make the following payments from the General Account on the specified dates, and, in the event of insufficient funds to make all of such required payments, in the following order of priority:
 - (a) On the date of initial delivery of the Bonds, to purchase the Qualified Obligations upon the submission of requisitions of the Bond Bank signed by an Authorized Officer stating that all requirements with respect to such financing set forth in the Indenture have been or will be complied with;
 - (b) On or before 10:00 A.M. in the city in which the Trustee is located on the business day next preceding each Interest Payment Date, such amount as will be necessary to pay the principal and interest coming due on the Bonds on such Interest Payment Date;
 - (c) After making such deposits and disbursements, the Trustee will retain such remaining amounts in the General Account to be used from time to time for the purposes set forth in paragraph (b) above. Upon final maturity of the Bonds, any money remaining in the General Account which is not needed to pay any of the costs set forth in paragraph (b) above in connection with the final maturity of the Bonds will be transferred within thirty (30) days after such final maturity to the Bond Bank. However, the Bond Bank must supply the Trustee with a Cash Flow Certificate to the effect that, after such transfer, Revenues expected to be received and money expected to be held in the Funds and Accounts will at least equal debt service on all Outstanding Bonds.
2. Redemption Account. The Trustee will deposit in the Redemption Account all money received from the sale or optional or mandatory redemption prior to maturity of Qualified Obligations and all other money required to be deposited therein pursuant to the provisions of the Indenture, and will invest such funds pursuant to the Indenture, and will disburse the funds in the Redemption Account as follows:
 - (a) On the fifteenth day of each month, to the General Account an amount equal to the principal which would have been payable during the following month if such Qualified Obligations had not been sold or redeemed.
 - (b) On the second business day prior to each Interest Payment Date, if moneys in the General Account are not sufficient to make the payments of

principal and interest required to be made on such date, to the General Account such amounts as are not already committed to the redemption of Bonds for which notice of redemption has already been given.

- (c) After provision has been made for the required transfers to the General Account, (i) to redeem Bonds of such maturity or maturities as directed by an Authorized Officer of the Bond Bank, if such Bonds are then subject to redemption, or (ii) to purchase Bonds of such maturity or maturities as directed by an Authorized Officer of the Bond Bank at the most advantageous price obtainable with reasonable diligence, whether or not such Bonds are then subject to redemption and not in excess of the applicable redemption price for such Bonds. The Trustee will pay the interest accrued on the Bonds so purchased to the date of delivery from the General Account and the balance of the purchase price from the Redemption Account, but no such purchase will be made by the Trustee within the period of forty-five (45) days next preceding an interest payment date or a date on which such Bonds are subject to redemption under the provisions of the Indenture.

In the event the Trustee is unable to purchase Bonds in accordance with subparagraph (c), then, subject to restrictions on redemption set forth in the Indenture (see “The Bonds - Optional Redemption”), the Trustee may call for redemption on the next ensuing redemption date such amount of the Bonds of such maturity or maturities as directed by an Authorized Officer as, at the Redemption Price thereof, will exhaust the Redemption Account as nearly as may be possible. Any such redemption will be made pursuant to the Indenture. The Trustee will pay the interest accrued on the Bonds so redeemed to the date of redemption from the General Account and will pay the Redemption Price from the Redemption Account.

- 3. Bond Issuance Expense Account. The Trustee will deposit in the Bond Issuance Expense Account the money required to be deposited by the Indenture, will invest such funds pursuant to the Indenture and will disburse the funds held in the Bond Issuance Expense Account upon receipt of acceptable invoices or requisitions, to pay the Costs of Issuance of the Bonds or to reimburse the Bond Bank for amounts previously advanced for such costs. The Trustee will transfer any funds remaining in the Bond Issuance Expense Account to the General Account on September 1, 2006.
- 4. Rating Reserve Fund. The Trustee will maintain the Rating Reserve Fund established under the Indenture into which will be deposited certain moneys or the Surety Bond, and will invest such funds pursuant to the Indenture, and will disburse the funds in the Rating Reserve Fund as follows:
 - (a) The Trustee will deposit in the Rating Reserve Fund all moneys required to be deposited therein pursuant to the Indenture (or any Supplemental Indenture), the Purchase Agreement with Merrillville Community School

Corporation. The Trustee will transfer funds held in the Rating Reserve Fund to the General Account only to the extent there has been a default in the payment of the Qualified Obligations of Merrillville Community School Corporation, and if moneys in the General Account are insufficient to pay principal of and interest on the Bonds after all the transfers thereto required to be made under the Indenture (from the Redemption Account) have been made.

- (b) In computing the amount in the Rating Reserve Fund and compliance with the Rating Reserve Requirement, obligations purchased as an investment of moneys held in such Fund shall be valued at their amortized costs.
- (c) The Bond Bank may satisfy all or any part of its obligation to maintain an amount in the Rating Reserve Fund at least equal to the Rating Reserve Requirement by depositing a Surety Bond in the Rating Reserve Fund.
- (d) As long as the Surety Bond shall be in full force and effect, the Bond Bank, the Trustee and the Paying Agent, if appropriate, agree to comply with the following provisions:

Any deficiency in the balance maintained in the Rating Reserve Fund shall be made up solely from the payment of delinquent payments on the Qualified Obligations of Merrillville Community School Corporation. To the extent cash is held in the Rating Reserve Fund, the cash shall be completely drawn down before any demand is made on the Surety Bond. If moneys in the Rating Reserve Fund (whether cash or funds provided under the Surety Bond) are transferred to the General Account to pay principal of and interest on the Bonds, then such depletion of the balance in the Rating Reserve Fund shall be made up from the payment of delinquent payments on the Qualified Obligations of Merrillville Community School Corporation.

D. Amounts Remaining in Funds.

Any amounts remaining in any Fund or Account after full payment of all of the Bonds outstanding under the Indenture and the fees, charges and expenses of the Trustee will be distributed to the Bond Bank, unless otherwise provided for in the Indenture.

E. Investment of Funds.

Any money held as a part of any Fund or Account under the Indenture will be invested and reinvested at all times as continuously as reasonably possible by the Trustee in such Investment Securities as may be directed by the Bond Bank; provided, however, in the absence of such direction, the Trustee will select Investment Securities at its discretion. All such investments will be a part of the Fund or Account from which moneys were used to acquire such investments, and all income and profits on such investments will be deposited in the General Account. The Trustee will not be liable for any investment losses. Moneys in any Funds or Accounts will be invested in Investment Securities with maturity dates (or redemption dates determinable at the option of the owner of the Investment Security) coinciding as nearly as practicable with the times at which moneys in such Funds or Accounts will be required for

transfer or disbursement under the Indenture. The Trustee will sell and reduce to cash sufficient amounts of such Investment Securities in a respective Fund or Account as may be necessary to make up a deficiency in any amounts required to be distributed from such Fund or Account. Investment Securities will be valued at their amortized cost. Repurchase Agreements shall be valued at the market value of the collateral.

Bond Bank Covenants

The Bond Bank covenants and agrees that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in the Indenture, in any and every Bond executed, authenticated and delivered under the Indenture and in all of its related proceedings. The Bond Bank covenants and agrees: that it is duly authorized under the constitution and laws of the State, including particularly the Act, to issue the Bonds, to execute the Indenture and to pledge the Revenues and all other property pledged under the Indenture in the manner and to the extent set forth in the Indenture; that all action on its part for the issuance of the Bonds and the execution and delivery of the Indenture has been duly and effectively taken; and that the Bonds in the hands of their owners are and will be valid and enforceable limited obligations of the Bond Bank according to the terms of the Bonds and the Indenture.

The Bond Bank covenants and agrees that the Trustee may defend its rights to the payment of the Revenues for the benefit of the owners of the Bonds against the claims and demands of all persons whomsoever. The Bond Bank covenants and agrees that it will do, execute, acknowledge and deliver, or cause to be done, executed, acknowledged and delivered, such supplemental indentures and such further acts, instruments and transfers as the Trustee may reasonably require for the better assuring, transferring, pledging, assigning and confirming unto the Trustee all and singular the rights assigned by the Indenture and the amounts and other property pledged under the Indenture to the payment of the principal of and interest on the Bonds.

In order to provide for the payment of the principal of, premium, if any, and interest on the Bonds and Program Expenses, the Bond Bank will from time to time, with all practical dispatch and in a sound and economical manner consistent in all respects with the Act, the provisions of the Indenture and sound banking practices and principles, (i) do all such acts and things as are necessary to receive and collect the Revenues (including enforcement of the prompt collection of all arrears on Qualified Obligations), and (ii) diligently enforce, and take all steps, actions and proceedings reasonably necessary in the judgment of the Bond Bank to protect its rights with respect to or to maintain any insurance on Qualified Obligations and to enforce all terms, covenants and conditions of Qualified Obligations including the collection, custody and prompt application of all payments required by the terms of a Qualified Obligation for the purposes for which they were made. Whenever necessary in order to provide for the payment of the Bonds, the Bond Bank will commence appropriate remedies with respect to any Qualified Obligation which is in default.

With respect to the Qualified Obligations purchased by the Bond Bank, the Bond Bank covenants as follows:

- (a) The Bond Bank will not permit or agree to any material change in the Qualified Obligations (other than one for which consent by the Bond Bank is not required) unless the Bond Bank supplies the Trustee and S&P with a Cash Flow Certificate, to the effect that, after such change, Revenues expected to be received in each Fiscal Year and other available money in Funds and Accounts, will at least equal the debt service on all Outstanding Bonds in each such Fiscal Year.
- (b) Only to the extent that such action would not adversely affect the validity of the Qualified Obligations or other obligations of the Qualified Entity, the Bond Bank will pursue the remedy set forth in the Act, including particularly Indiana Code 5-1.5-8-5, for the collection of deficiencies in Qualified Obligation Payments on any Qualified Obligation by collection of such deficiencies out of certain State funds payable but not yet paid to a defaulting Qualified Entity.
- (c) The Bond Bank will also enforce or authorize the enforcement of all remedies available to owners or holders of Qualified Obligations, unless the Bond Bank provides the Trustee with a Cash Flow Certificate to the effect that if such remedies are not enforced, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal the debt service due on all Outstanding Bonds in each such Fiscal Year; provided, however, that decisions as to the enforcement of remedies will be within the sole discretion of the Trustee.
- (d) The Bond Bank will not sell or dispose of any Qualified Obligations unless the Bond Bank provides the Trustee with a Cash Flow Certificate, to the effect that after such sale, Revenues expected to be received in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, minus any proceeds of such sale to be transferred from any Fund or Account, will at least equal the debt service due on all Outstanding Bonds in each such Fiscal Year. Proceeds of such sales will be invested only in Government Obligations or in Qualified Obligations or disbursed as provided in the Indenture.

Cash Flow Certificates and Verifications

At any time that the provisions of the Indenture require that a Cash Flow Certificate be prepared, such certificate will set forth:

- (e) the Revenues expected to be received on all Qualified Obligations purchased with proceeds of the Bonds or with Revenues expected to be available for the purpose of financing the purchase of additional Qualified Obligations;
- (f) all other Revenues, including the interest to be earned and other income to be derived from the investment of the Funds and Accounts and the rate or yields used in estimating such amounts;
- (g) all money expected to be in the Funds and Accounts;

- (h) the debt service due on all Bonds expected to be Outstanding during each Fiscal Year; and
- (i) the amount, if any, of Program Expenses expected to be paid from the Revenues.

In making any Cash Flow Certificate, the accountant or firm of accountants may contemplate the payment or redemption of Bonds for the payment or redemption of which amounts have been set aside in the Redemption Account. The issuance of Bonds, the making of transfers from one Fund to another and the deposit of amounts in any Fund from any other source may be contemplated in a Cash Flow Certificate only to the extent that such issuance, deposit or transfer has occurred prior to or will occur substantially simultaneously with the delivery of such Cash Flow Certificate. The accountant or firm of accountants must also supply supporting schedules appropriate to show the sources and applications of funds used, identifying particularly amounts to be transferred between Funds, amounts to be applied to the redemption or payment of Bonds and amounts to be used to provide for Costs of Issuance and capitalized interest, if any, for the respective Series. In the case of each annual Cash Flow Certificate, the amounts of existing Qualified Obligations, existing Investment Securities and existing cash will be the amounts as of the last day of the preceding Fiscal Year. In the case of any other Cash Flow Certificate such amounts will be the amounts as of the last day of the month preceding the month in which the Cash Flow Certificate is delivered but will be adjusted to give effect to scheduled payments of principal of and interest on Qualified Obligations, actual payments or proceeds with respect to Investment Securities and actual expenditures of cash expected by the Bond Bank through the end of the then current month.

Accounts and Reports

The Bond Bank will keep proper books of record and accounts in which complete and correct entries will be made of its transactions relating to the Program and the Funds and Accounts established by the Indenture. Such books and all other books and papers of the Bond Bank and all Funds and Accounts will, at all reasonable times, be subject to the inspection of the Trustee and the owners of an aggregate of not less than 5% in principal amount of Bonds then Outstanding or their representatives duly authorized in writing.

Before the twentieth day of each month, the Trustee will provide the Bond Bank with a statement of the amounts on deposit in each Fund and Account as of the first day of that month and the total deposits to and withdrawals from each Fund and Account during the preceding month. The Bond Bank may provide for less frequent statements so long as such statements are supplied no less frequently than quarterly.

Covenant to Monitor Investments

The Bond Bank covenants and agrees to regularly review the investments held by the Trustee in the Funds and Accounts under the Indenture in order to assure that the Revenues derived from such investments are sufficient to provide, together with other anticipated Revenues, for the payment of the debt service on Outstanding Bonds.

Limitation on Additional Bonds

The only additional Bonds that may be issued under the Indenture are Refunding Bonds issued solely to refund all or any part of the outstanding Bonds.

The Indenture creates a continuing pledge and lien to secure the full and final payment of the principal of, redemption premium, if any, and interest on all Bonds and authorizes the issuance of one or more Series of Bonds under separate Supplemental Indentures. The Indenture establishes the requirements for each Supplemental Indenture and provides that no Series of Bonds will be issued under a Supplemental Indenture unless certain conditions are met, including the receipt by the Trustee of a Cash Flow Certificate to the effect that, immediately after the issuance of such Bonds, Revenues in each Fiscal Year, together with moneys expected to be held in the Funds and Accounts, will at least equal the debt service on all Bonds in each such Fiscal Year, including such Bonds. Such certificate will not be required in the case of Refunding Bonds if the debt service in each Fiscal Year on all Bonds after the issuance of such Refunding Bonds will be equal to or less than such debt service for each Fiscal Year on all Bonds Outstanding before the issuance of the Refunding Bonds.

Discharge of Indenture

If payment or provision for payment is made to the Trustee of the principal of, and interest on, the Bonds due and to become due under the Indenture, and if the Trustee receives all payments due and to become due under the Indenture, then the Indenture may be discharged in accordance with its provisions. In the event of any early redemption of Bonds in accordance with their terms, the Trustee must receive irrevocable instructions from the Bond Bank, satisfactory to the Trustee, to call such Bonds for redemption at a specified date and pursuant to the Indenture. Thereupon, such Bonds will be payable only out of the money or securities held by the Trustee for the payment of the principal of, redemption premium, if any, and interest on the Bonds.

Any Bond or Series of Bonds or portion thereof will be deemed to be paid when (a) payment of the principal of that Bond or Series of Bonds, plus interest to its due date, either (i) has been made in accordance with its terms or (ii) has been provided for by irrevocably depositing with the Trustee, in trust and exclusively for such payment, (A) moneys (insured at all times by the Federal Deposit Insurance Corporation or otherwise collateralized by Governmental Obligations) sufficient to make such payment, (B) Governmental Obligations maturing as to principal and interest in such amounts and at such times, without consideration of any reinvestments thereof, as will insure the availability of sufficient money to make such payments, or (C) a combination of such money and Governmental Obligations, and (b) all necessary and proper fees and expenses of the Trustee pertaining to the Bonds.

Defaults and Remedies

F. Events of Default.

Any of the following events constitutes an “Event of Default” under the Indenture:

- (a) Default in the due and punctual payment of any interest on any Bond;

- (b) Default in the due and punctual payment of the principal of any Bond, whether at stated maturity or on any date fixed for redemption;
- (c) Failure of the Bond Bank to remit any moneys required by the Indenture to the Trustee within the time limits prescribed in the Indenture;
- (d) Default in the performance or observance of any other covenants, agreements or conditions on the part of the Bond Bank contained in the Indenture or in the Bonds and failure to remedy the same within 60 days after receipt of notice, all in accordance with the Indenture;
- (e) Any warranty, representation or other statement by or on behalf of the Bond Bank contained in the Indenture or in any instrument furnished in compliance with or in reference to the Indenture is found to be false or misleading in any material respect when made and there has been a failure to remedy the same within 60 days after receipt of notice, all in accordance with the Indenture;
- (f) A petition is filed against the Bond Bank under any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, and is not dismissed within 60 days after such filing;
- (g) The Bond Bank files a voluntary petition in bankruptcy or seeking relief under any provisions of any bankruptcy, reorganization, arrangement, insolvency, readjustment of debt, dissolution or liquidation law of any jurisdiction, whether now or hereafter in effect, or consents to the filing of any petition against it under such law;
- (h) The Bond Bank is generally not paying its debts as such become due, or becomes insolvent or bankrupt or makes an assignment for the benefit of creditors, or liquidator or trustee of the Bond Bank or any of its property is appointed by court order or takes possession and such order remains in effect or such possession continues for more than 60 days;
- (i) The Bond Bank is rendered incapable of fulfilling its obligations under the Indenture for any reason.

G. Trustee's Rights and Remedies.

No default described under subparagraphs (d) or (e) above will constitute an Event of Default until actual notice of the Default by registered or certified mail has been given to the Bond Bank by the Trustee or by the Owners of not less than 25% in aggregate principal amount of all Bonds then Outstanding and the Bond Bank has had 60 days after receipt of the notice to correct such Default within the applicable period. If such Default is correctable but cannot be corrected within the applicable period, it will not constitute an Event of Default if corrective action is instituted by the Bond Bank within the applicable period and diligently pursued until the Default is corrected.

Upon the occurrence of an Event of Default, the Trustee will notify the Bond Insurer and the owners of all Bonds then Outstanding of such Event of Default by registered or certified mail, and upon receiving the express written consent of the Bond Insurer with respect to exercising any such remedies in connection with the Bonds if the Bond Insurance Policy is in full force and effect at such time, will have the following rights and remedies:

- (a) The Trustee may pursue any available remedy at law or in equity or by statute to enforce the payment of the principal of and interest on Outstanding Bonds, including enforcement of any rights of the Bond Bank or the Trustee under the Qualified Obligations;
- (b) The Trustee may by action or suit in equity require the Bond Bank to account as if it were the trustee of an express trust for the owners of the Bonds and may take such action with respect to the Qualified Obligations as the Trustee deems necessary or appropriate and in the best interest of the owners of Bonds, subject to the terms of the Qualified Obligations;
- (c) Upon the filing of a suit or other commencement of judicial proceedings to enforce any rights of the Trustee and of the owners of Bonds under the Indenture, the Trustee will be entitled, as a matter of right, to the appointment of a receiver or receivers of the Trust Estate and of the Revenues, issues, earnings, income, products and profits thereof, pending such proceedings, with such powers as the court making such appointment will confer; provided, however, for so long as the Bond Insurance Policy is in full force and effect, any reorganization or liquidation plan with respect to the Bond Bank must be acceptable to the Bond Insurer, and in the event of any reorganization or liquidation, the Bond Insurer will have the right to vote on behalf of the holders of the Bonds; and
- (d) The Trustee may declare the principal of and accrued interest on all Bonds to be due and payable immediately in accordance with the provisions of the Indenture and the Act, by notice to the Bond Bank and the Attorney General of the State; provided, however, for so long as the Bond Insurance Policy is in full force and effect, the Trustee may, with the consent of the Bond Insurer, and will, at the direction of the Bond Insurer or 25% of the holders of the Bonds with the consent of the Bond Insurer, by written notice to the Bond Bank, the Attorney General of the State and the Bond Insurer, declare the principal of the Bonds to be immediately due and payable, whereupon that portion of the principal of the Bonds thereby coming due and the interest thereon accrued to the date of payment will, without further action, become and be immediately due and payable, anything in the Indenture or the Bonds to the contrary notwithstanding.

If an Event of Default has occurred, if requested to do so in writing by the holders of 25% or more in aggregate principal amount of Outstanding Bonds and if indemnified as provided in the Indenture, the Trustee will be obligated to exercise such of the rights, remedies and powers conferred by the Indenture, as the Trustee, being advised by counsel, deems most expedient in the interests of the holders of the Bonds.

The owners of a majority in aggregate principal amount of Bonds then Outstanding will have the right, at any time during the continuance of an Event of Default, by a written instrument or instruments executed and delivered to the Trustee, to direct the time, method and place of conducting all proceedings to be taken in connection with the enforcement of the terms and conditions of the Indenture or for the appointment of a receiver or any other proceedings under the Indenture.

Anything in the Indenture to the contrary notwithstanding, upon the occurrence and continuance of an Event of Default and for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer will be entitled to control and direct the enforcement of all rights and remedies granted to the holders of the Bonds or the Trustee for the benefit of the holders of the Bonds under the Indenture, including, without limitation: (i) the right to accelerate the principal of the Bonds as described in the Indenture; and (ii) the right to annul any declaration of acceleration. The Bond Insurer will also be entitled to approve all waivers of Events of Default.

H. Waivers of Events of Default.

At its discretion, the Trustee may waive any Event of Default and its consequences, and must do so upon the written request of the owners of (i) more than 66 2/3% in aggregate principal amount of all the Bonds then Outstanding in respect of which an Event of Default in the payment of principal or interest exists or (ii) more than 50% in aggregate principal amount of all Bonds then Outstanding in the case of any other Event of Default. However, there may not be waived (A) any Event of Default in the payment of the principal of any Outstanding Bond at the specified date of maturity or (B) any Event of Default in the payment when due of the interest on any Outstanding Bond unless, prior to the waiver, all arrears of interest or principal due, as the case may be, with interest on overdue principal at the rate borne by such Bond, and all expenses of the Trustee in connection with the Event of Default have been paid or provided for. In case of any such waiver, or in case any proceeding taken by the Trustee on account of any such Event of Default has been discontinued or abandoned or determined adversely, then the Bond Bank, the Trustee and the owners of Bonds will be restored to their former respective positions and rights under the Indenture. No waiver will extend to any subsequent or other Event of Default or impair any rights consequent thereon. Notwithstanding the foregoing, for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer will control all proceedings and the exercise of all rights or remedies with respect to the Bonds.

I. Rights and Remedies of Owners of Bonds.

No owner of any Bond will have any right to institute any proceeding at law or in equity for the enforcement of the Indenture or for the execution of any trust thereof or for the appointment of a receiver or any other remedy under the Indenture, unless (i) an Event of Default has occurred, (ii) the owners of not less than 25% in aggregate principal amount of Bonds then Outstanding have made written request to the Trustee and have offered the Trustee reasonable opportunity either to proceed to exercise the remedies granted in the Indenture or to institute such action, suit or proceeding in its own name, (iii) such owners of Bonds have offered to indemnify the Trustee, as provided in the Indenture, and (iv) the Trustee has refused, or for 60 days after receipt of such request and offer of indemnification has failed, to exercise the remedies

granted in the Indenture or to institute such action, suit or proceeding in its own name. All proceedings at law or in equity must be carried out as provided in the Indenture and for the equal and ratable benefit of the owners of all Outstanding Bonds. However, nothing contained in the Indenture will affect or impair the right of any owner of Bonds to enforce the payment of the principal of and interest on any Bond at and after its maturity, or the limited obligation of the Bond Bank to pay the principal of and interest on each of the Bonds to the respective owners of the Bonds at the time and place, from the source and in the manner expressed in the Bonds. Notwithstanding the foregoing, for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer will control all proceedings and the exercise of all rights or remedies with respect to the Bonds.

Nonpresentment of Bonds

If any Bond issued under the Indenture is not presented for payment when the principal becomes due, either at maturity, or at the date fixed for redemption, or as set forth in any Supplemental Indenture regarding deemed tenders or redemptions or otherwise, and if funds sufficient to pay such Bond have been made available to the Trustee for the benefit of the owner thereof, all liability of the Bond Bank to the owner thereof for the payment of such Bond will forthwith cease, terminate and be completely discharged, and thereupon it will be the duty of the Trustee to hold such funds uninvested for five (5) years, for the benefit of the owner of such Bond, without liability for interest thereon to such owner, who will thereafter be restricted exclusively to such funds, for any claim of whatever nature on its part under the Indenture or on, or with respect to, such Bond.

Any money so deposited with and held by the Trustee in trust for the payment of the principal of and interest on the Bonds and remaining unclaimed by any Bondholder for five (5) years after the due date of such principal or interest, will be applied by the Trustee in accordance with the Unclaimed Property Act, Indiana Code 32-34-1, as amended from time to time. Prior to the transfer of any such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Trustee will conduct searches in an effort to locate lost Bondholders using reasonable care to ascertain the correct addresses of all lost Bondholders in accordance with the rules governing registered transfer agents promulgated by the Securities and Exchange Commission pursuant to the Securities Act of 1934, as amended, but only if and so long as the Trustee is a registered transfer agent under those rules. Upon the transfer of such moneys to the Attorney General of the State in accordance with the Unclaimed Property Act, the Bond Bank and the Trustee will have no further responsibility or liability with respect to such moneys, and the Bondholders entitled to such principal or interest will look only to the State for payment, to the extent provided by law, and then only to the extent of the amounts so received by the State, without any interest thereon.

Other Obligations Payable from Revenues

The Bond Bank will grant no liens or encumbrances on or security interests in the Trust Estate (other than those created by the Indenture), and, except for the Bonds and any Refunding Bonds, will issue no bonds or other evidences of indebtedness payable from the Trust Estate.

Limitations on Obligations of Bond Bank

The Bonds, together with interest thereon, are limited obligations of the Bond Bank payable solely from the Revenues of the Bond Bank and will be a valid claim of the respective owners thereof only against the Funds and Accounts, established under the Indenture and the Qualified Obligations acquired by the Trustee, all of which are assigned and pledged for the equal and ratable payment of such Bonds and will be used for no other purpose than the payment of the Bonds, except as may be otherwise expressly authorized in the Indenture. The Bonds do not constitute a debt, or liability of the State, or of any political subdivision thereof, but will be payable solely from the Revenues and funds pledged therefor in accordance with the Indenture. The issuance of the Bonds under the provisions of the Act does not directly, indirectly or contingently, obligate the State or any political subdivision thereof to levy any form of taxation for the payment thereof or to make any appropriation for their payment and such Bonds and the interest payable thereon do not now and will never constitute a debt of the State or any political subdivision thereof within the meaning of the constitution of the State or the statutes of the State and such Bonds do not now and will never constitute a charge against the credit or taxing power of the State or any political subdivision thereof. Neither the State nor any agent, attorney, member or employee of the State or of the Bond Bank, will in any event be liable for the payment of the principal of, and premium, if any, or interest on the Bonds or damages, if any, for the nonperformance of any pledge, mortgage, obligation or agreement of any kind whatsoever which may be undertaken by the Bond Bank. No breach by the Bond Bank of any such pledge, mortgage, obligation or agreement may impose any liability, pecuniary or otherwise, upon the State or any of the State's or the Bond Bank's agents, members, attorneys and employees or any charge upon the general credit of the State, nor any political subdivision thereof.

Immunity of Officers and Directors

No recourse will be had for the payment of the Bonds or for any claim based thereon or upon any obligation, covenant or agreement in the Indenture contained against any past, present or future officer, member, director, agent or employee of the Bond Bank, or any officer, member, director, trustee, agent or employee of any successor entities thereto, as such, either directly or through the Bond Bank, or any successor entities, under any rule of law or equity, statute or constitution or by the enforcement of any assessment or penalty or otherwise, and all such liability of any such officers, members, directors, trustees, agents, or employees as such, is hereby expressly waived and released as a condition of and consideration for the execution of the Indenture and issuance of such Bonds.

Supplemental Indentures

The Bond Bank and the Trustee may, with the prior written consent of the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect, but, without the consent of, or notice to, any of the Bondholders, enter into any indenture or indentures supplemental to the Indenture for any one or more of the following purposes:

- (a) To cure any ambiguity, formal defect or omission in the Indenture;
- (b) To grant to or confer upon the Trustee for the benefit of the Bondholders any additional benefits, rights, remedies, powers or authorities that may lawfully be

granted to or conferred upon the Bondholders or the Trustee, or to make any change which, in the judgment of the Trustee, does not materially and adversely affect the interest of the owners of Outstanding Bonds and does not require unanimous consent of the Bondholders pursuant to the Indenture;

- (c) To subject to the Indenture additional Revenues, properties or collateral;
- (d) To modify, amend or supplement the Indenture or any indenture supplemental thereto in order to permit qualification under the Trust Indenture Act of 1939 or any similar federal statute hereafter in effect or to permit the qualification of the Bonds for sale under the securities laws of the United States of America or of any of the states of the United States of America, and, if the Bond Bank and the Trustee so determine, to add to the Indenture or to any indenture supplemental thereto such other terms, conditions and provisions as may be permitted by the Trust Indenture Act of 1939 or similar federal statute;
- (e) To evidence the appointment of a separate or co-trustee or the succession of a new Trustee under the Indenture or the succession of a new registrar and/or paying agent;
- (f) In connection with the issuance of Refunding Bonds;
- (g) To provide for the refunding of all or a portion of the Bonds issued under the Indenture; and
- (h) To amend the Indenture to permit the Bond Bank to comply with any future federal tax law or any covenants contained in any Supplemental Indenture with respect to compliance with future federal tax law.

With the exception of Supplemental Indentures for the purposes described in the preceding paragraph and subject to the terms of the Indenture, the owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding which are affected (other than Bonds held by the Bond Bank) have the right, from time to time, to consent to and approve the execution by the Bond Bank and the Trustee of any other indenture or indentures supplemental thereto as are deemed necessary and desirable by the Trustee for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in the Indenture or in any Supplemental Indenture, but only with the express written consent of the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect. However, no Supplemental Indenture may permit or be construed as permitting, without the consent of the owners of all then Outstanding Bonds and the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect, (i) an extension of the maturity dates of the principal of or the interest or redemption date on, any Bonds, or (ii) a reduction in the principal amount of any Bond or a change in the redemption premium or the rate of interest on any Bond, or (iii) a privilege or priority of any Bond or Bonds over any other Bond or Bonds, or (iv) a reduction in the aggregate principal amount of the Bonds required for consent to such Supplemental Indenture, or (v) the creation of any lien securing any Bonds, other than a lien ratably securing all of the Bonds at any time Outstanding, or (vi) any modification of the

trusts, powers, rights, obligations, duties, remedies, immunities and privileges of the Trustee without the written consent of the Trustee.

Trustee

By executing the Indenture, the Trustee accepts the trusts and duties imposed upon it by the Indenture, and agrees to perform such trusts and duties with the same degree of care and skill in their exercise, as a prudent man would exercise or use under the circumstances in the conduct of his own affairs, but only upon and subject to the express terms and conditions of the Indenture.

The Trustee covenants and agrees to retain or cause its agent to retain possession of each Qualified Obligation and a copy of the transcript or documents related thereto and release them only in accordance with the provisions of the Indenture. The Bond Bank and the Trustee covenant and agree that all books and documents in their possession relating to the Qualified Obligations will at all times be open to inspection by such accountants or other agencies or persons as the Bond Bank or the Trustee may from time to time designate.

The Trustee and any successor Trustee may at any time resign from the trusts created by the Indenture by giving 30 days' written notice by registered or certified mail to the Bond Bank, the owner of each Bond as shown by the list of Bondholders required by the Indenture to be kept at the office of the Trustee, and, for so long as the Bond Insurance Policy remains in full force and effect, the Bond Insurer. Such resignation will take effect upon the appointment of a successor Trustee and acceptance of such appointment by the successor Trustee. Notwithstanding any other provision of the Indenture and for so long as the Bond Insurance Policy remains in full force and effect, no resignation or termination of the Trustee will take effect until a successor Trustee, acceptable to the Bond Insurer, is appointed.

The Trustee may be removed at any time with or without cause by instrument or concurrent instruments in writing delivered to the Trustee and to the Bond Bank and signed by the owners of a majority in aggregate principal amount of all Bonds then Outstanding or their attorneys-in-fact duly authorized, but only with the express written consent of the Bond Insurer for so long as the Bond Insurance Policy remains in full force and effect. Notice of the removal of the Trustee will be given as described in the paragraph above. So long as no Event of Default, or an event which with the passage of time would become an Event of Default, has occurred and is continuing, the Trustee may be removed at any time for cause by resolution of the Bond Bank filed with the Trustee. For so long as the Bond Insurance Policy remains in full force and effect, the Trustee may be removed at any time, at the request of the Bond Insurer, for any breach of the trust set forth in the Indenture. Notwithstanding any other provision of the Indenture and for so long as the Bond Insurance Policy remains in full force and effect, no removal or termination of the Trustee will take effect until a successor Trustee, acceptable to the Bond Insurer, is appointed.

In case the Trustee resigns or is removed, or is dissolved, or is in course of dissolution or liquidation, or otherwise becomes incapable of acting under the Indenture, or in case it is taken under the control of any public officer or officers, or of a receiver appointed by a court, a successor may be appointed by the owners of a majority in aggregate principal amount of all

Bonds then Outstanding under the Indenture by an instrument or concurrent instruments in writing signed by such owners, or by their attorneys-in-fact duly authorized, a copy of which will be delivered personally or sent by registered mail to the Bond Bank. Nevertheless, in case of such vacancy, the Bond Bank by resolution may appoint a temporary Trustee to fill such vacancy. Within ninety days after such appointment, the Bondholders may appoint a successor Trustee, and any such temporary Trustee so appointed by the Bond Bank will become the successor Trustee if no appointment is made by the Bondholders within such period, but in the event an appointment is made by the Bondholders, such temporary Trustee will immediately and without further act be superseded by any Trustee so appointed by such Bondholders. Notice of the appointment of a temporary or successor Trustee will be given in the same manner provided above with respect to the resignation of a Trustee. Every such Trustee so appointed will be a trust company or bank having its principal place of business in the State, will be duly authorized to exercise trust powers, will be subject to examination by federal or state authority, will have a reported capital and surplus of not less than \$75,000,000, and, for so long as the Bond Insurance Policy remains in full force and effect, will be acceptable to the Bond Insurer, if there is such an institution willing, qualified and able to accept the trust upon reasonable or customary terms.

APPENDIX E-2

FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT

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FORM OF QUALIFIED ENTITY PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT, dated the ____ day of _____, 2006 ("Purchase Agreement"), between the Indiana Bond Bank, a public body corporate and politic ("Bond Bank"), created pursuant to the provisions of Indiana Code 5-1.5-1 et seq. ("Act"), having its principal place of business in the City of Indianapolis, Indiana, and the _____, a municipal corporation organized and existing under the laws of the State of Indiana ("Qualified Entity"),

WITNESSETH:

WHEREAS, the Bond Bank has adopted a resolution authorizing, pursuant to a Trust Indenture dated as of June 1, 2006 between the Bond Bank and The Bank of New York Trust Company, N.A., Indianapolis, Indiana, as trustee ("Indenture"), the issuance of its bonds designated "Indiana Bond Bank Taxable School Severance Funding Bonds Series 11" ("Bonds"); and

WHEREAS, pursuant to the Act, the Bond Bank is authorized to purchase securities (as defined in the Act, the "Securities") issued by qualified entities (as defined in the Act); and

WHEREAS, the Qualified Entity has adopted a bond resolution ("Resolution") duly authorizing the issuance of its bonds designated "Taxable General Obligation Pension Bonds of 2006" in the original aggregate principal amount of \$_____ ("Qualified Obligations"), and the Qualified Obligations are Securities to be purchased by the Bond Bank from proceeds of the Bonds in accordance with this Purchase Agreement;

NOW, THEREFORE, THE BOND BANK AND THE QUALIFIED ENTITY AGREE:

1. The Bond Bank hereby agrees to purchase the Qualified Obligations and the Qualified Entity hereby agrees to sell to the Bond Bank the Qualified Obligations concurrently with the issuance by the Bond Bank of its Bonds at a price of \$_____, which includes no accrued interest. The Qualified Obligations shall mature and bear interest and be subject to the terms as set forth on the attached Exhibit A. Except as hereinafter set forth in this Purchase Agreement, the other terms of the Qualified Obligations are set forth in the Resolution, a true and correct copy of which is incorporated herein by reference. The Treasurer of the Qualified Entity shall serve as registrar and paying agent for the Qualified Obligations.

2. The Qualified Entity has taken all proceedings required by law to enable it to issue its Qualified Obligations to be purchased by the Bond Bank.

3. If the Qualified Entity fails to pay the principal of and interest on the Qualified Obligations when due, the Qualified Entity agrees to reimburse the Bond Bank, for the costs of collecting the payments on such Qualified Obligations.

4. Simultaneously with the delivery to the Bond Bank of the Qualified Obligations, which Qualified Obligations shall be substantially in the form set forth in the Resolution and registered in the name of the Bond Bank, the Qualified Entity shall furnish to the Bond Bank a transcript of proceedings and the opinion of _____, bond counsel, as to, among other things, the validity of the Qualified Obligations.

5. The Qualified Entity and the Bond Bank agree that the Qualified Obligations and the payments to be made thereon may be pledged or assigned by the Bond Bank under and pursuant to the Indenture.

6. The Qualified Entity agrees to furnish to the Bond Bank as long as any of the Qualified Obligations remain outstanding annual financial reports, audit reports and such other financial information as is reasonably requested by the Bond Bank.

7. If the Bond Bank determines to sell all or part of the Qualified Obligations, it agrees to pay or reimburse the Qualified Entity for all costs associated therewith including the printing of bonds, obtaining ratings therefor and providing services of a registrar and paying agent therefor.

8. If the Bond Bank and its underwriters do not deliver the Bonds and receive payment therefor on or before _____, 2006, the Qualified Entity may rescind this Purchase Agreement by giving written notice of such rescission to the Executive Director of the Bond Bank. The Bond Bank is obligated to purchase the Qualified Obligations solely from the proceeds of the Bonds.

9. If the Qualified Entity fails to sell all the Qualified Obligations to the Bond Bank in accordance with paragraph 1 herein for any reason within the Qualified Entity's control, the Qualified Entity shall on demand and to the extent permitted by law, pay to the Bond Bank an amount equal to all costs, expenses (including attorneys' fees) and consequential damages occasioned by the failure of the Qualified Entity to sell its Qualified Obligations in accordance with paragraph 1 herein.

10. On or prior to the delivery date of the Bonds, an authorized officer of the Qualified Entity will deliver a certificate to the effect that the statements made in the Official Statement of the Bond Bank pertaining to the Qualified Entity and the Qualified Obligations, as of the date of the Official Statement, did not contain any untrue statement of a material fact omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, and that there has been no material adverse change in financial condition and affairs of the Qualified Entity during the period from the date of the Official Statement to the date of delivery of the Bonds, which was not disclosed in or contemplated by the Official Statement. The portion of the Official Statement summarizing the Qualified Entity and the Qualified Obligations is deemed final by the Qualified Entity for the purposes of Rule 15c2-12 of the Securities and Exchange Commission, as of this date.

11. This Purchase Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the

same instrument. The Bond Bank and the Qualified Entity agree that they will execute any and all documents or other instruments, and take such other actions as may be necessary to give effect to the terms of this Purchase Agreement.

12. No waiver by either the Bond Bank or the Qualified Entity of any term or condition of this Purchase Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase or other provision of this Purchase Agreement.

13. If the Qualified Entity or any entity on behalf of the Qualified Entity adopts an ordinance or resolution to refund all or a portion of the Qualified Obligations, the Qualified Entity shall within five days of the adoption of the ordinance or resolution, provide notice to the Bond Bank of the refunding; provided, however, the Qualified Entity agrees not to issue any obligations or allow any obligations to be issued for or on behalf of the Qualified Entity, the proceeds of which will be used in whole or in part to refund all or any portion of the Qualified Obligations unless: (i) the Qualified Entity provides the Bond Bank with the information necessary for the Bond Bank to prepare a Cash Flow Certificate (as defined in the Indenture); and (ii) that Cash Flow Certificate shows that such refunding will not have an adverse effect on the Bond Bank's ability to pay debt service on the Bonds.

14. If any provision of this Purchase Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Purchase Agreement and this Purchase Agreement shall be construed and be in force as if such invalid or unenforceable provision had not been contained herein.

15. This Purchase Agreement merges and supersedes all prior negotiations, representations, and agreements between the Bond Bank and the Qualified Entity relating to the subject matter hereof and constitutes the entire agreement between the Bond Bank and the Qualified Entity in respect hereof.

IN WITNESS WHEREOF, we have hereunto set our hands as of the day and year first above written.

INDIANA BOND BANK

By: _____
Dan Huge, Executive Director

[QUALIFIED ENTITY]

By: _____
President, School Board

ATTEST:

By: _____
Secretary, School Board

EXHIBIT A

_____, Indiana
Taxable General Obligation Pension Bonds of 2006

Principal Amount: \$ _____
Original Date: _____, 2006
Call:
Interest Payable: January 5 and July 5, commencing January 5, 2007
Maturity and Interest Rates: On the dates, in the amounts and at the interest rates as follows:

<u>Year</u>	<u>Amount</u>	<u>Interest Rate</u>
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Mandatory Sinking Fund Redemption

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